

The School District
of Palm Beach County



Blue Lake Elementary - SDPBC's Newest Campus in FY23

2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2023

3300 Forest Hill Blvd, West Palm Beach, FL 33406

The School District of Palm Beach County



Michael J. Burke
Superintendent

SCHOOL BOARD MEMBERS 2023 FISCAL YEAR



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



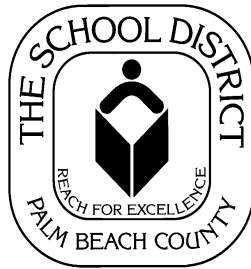
**Edwin
Ferguson, Esq.**
District 7

ANNUAL COMPREHENSIVE FINANCIAL REPORT

The School District of Palm Beach County, Florida

for the

Fiscal Year Ended June 30, 2023



Issued by:

**Michael J. Burke, Superintendent of Schools
Heather Frederick, CPA, Chief Financial Officer**

Prepared by:

**Division of Financial Management
Annette Pinnock, Director of Accounting**

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



**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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The School District
of Palm Beach County



INTRODUCTORY SECTION

2023



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

**MICHAEL J. BURKE
SUPERINTENDENT**

**KAREN M. BRILL
BOARD CHAIR**

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

**BARBARA MCQUINN
BOARD VICE CHAIR**

PHONE: 561-649-6833 / FAX: 561-649-6837

MARCIA ANDREWS
ALEXANDRIA AYALA
FRANK A. BARBIERI, JR., ESQ.
EDWIN FERGUSON, ESQ.
BARBARA MCQUINN

WWW.PALMBEACHSCHOOLS.ORG

November 27, 2023

To: School Board Members
Citizens of Palm Beach County

We respectfully submit the Annual Comprehensive Financial Report (ACFR) of the School District of Palm Beach County, Florida (District) for the fiscal year ended June 30, 2023. 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, District 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, District management 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.

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 ended June 30, 2023.

The District received an unmodified ("clean") opinion on the financial statements for the fiscal year ended June 30, 2023. 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 (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 Section 1010.01, Florida Statutes, 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 (Corporation), represents a blended component unit of the District therefore, 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. Total population in the county is over 1.3 million, which represents a steady growth. The community is vastly diverse in both geographical aspects and 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 182 District schools and 48 charter schools. Approximately 193,800 students were enrolled in Palm Beach County public schools during fiscal year 2023. Of the total students enrolled, approximately 163,300 are in District schools, 22,500 are in charter schools and 8,000 Family Empowerment Scholarship (FES), representing an increase of approximately 900 students in District schools and an increase of approximately 350 students in charter schools and 1,700 in FES. As the largest employer in Palm Beach County, the District has approximately 23,900 full-time employees, including more than 13,000 teachers. The District owns and maintains 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 approximately 150 languages with more than 197 different countries or territories of birth. The Dual Language Program has over 7,000 participants

November 27, 2023

School Board Members

Citizens of Palm Beach County

across 33 schools. The population of the county is approximately 52 percent White; 24 percent Hispanic; 20 percent Black; 3 percent Asian; and 1 percent American Indian, Alaska Native, Multiple Races and Others (approximately 19 percent of the population is under the age of 18; 56 percent is between the ages of 18 and 64; and 25 percent is 65 or older). There are approximately 34,000 students with Individualized Education Plans or Educational Plans (for gifted students).

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 2023, the County has a labor force of approximately 776,000 and the median family income is approximately \$68,800. There is no income tax in Florida. Palm Beach County residents pay 7 percent retail sales tax. Property values and sales tax revenues continue to increase. 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

The legislation passed during the 2023 legislative session fundamentally changed public education in Florida. The expansion of the voucher program has effectively created a universal voucher program. In addition to creating a universal voucher program,

the legislature also approved the sharing of capital funds with charter schools resulting in a loss of \$437 million in the District's capital budget over the next 10 years. It may take several years to feel the true impact of the legislation passed this session.

The overall increase in FY24 per student funding is \$447.01 or 5.11 percent when comparing to the FY23 Florida Education Finance Program (FEFP) budget. The 5 percent increase in per student funding is tempered by the expansion of the voucher program. Enrollment is expected to increase with the majority of the increase in FES. The FEFP includes \$183.44 or 3.54 percent increase in base student allocation (after adjusting for the collapse of categoricals into the Base Student Allocation BSA)). The BSA funds a state-mandated 1.8 percent increase in the Florida Retirement System rate and \$16.9 million (including charter schools) increase in teacher salary "categorical". Property values increased a surprising 15.86 percent which increases the amount of funds generated from the discretionary operating millage, voter approved millage, and the capital millage. In addition to the increases in the operating and capital funds, Elementary and Secondary School Emergency Relief (ESSER), will sunset September 2024. Applying federal funds to eligible expenditures in FY21 through FY23 has freed up one-time funds to help soften the federal funding cliff in FY25.

Future budgets are dependent on the economic environment, Florida Legislature, and voter support. Due to the far-reaching legislative changes this session, continued local support is necessary for both the additional 1.0 mill operating millage renewed in November 2022 that will sunset June 30, 2027, and represents \$320 million annually and the capital local one cent local government infrastructure sales tax approved in November 2016 which will sunset no later than December 31, 2026.

ACADEMIC BASED AWARDS AND ACKNOWLEDGEMENTS

- SDPBC was one of two of the Seven Largest Florida Districts to earn an "A" grade in FY22
- 335 award-winning programs in technical education and career academies
- Five schools in top 100 by US News Magazine's Best High Schools in Florida 2023 rankings
- Graduation rate of 92.8 percent for District-operated high schools
- The District is fully accredited by Cognia, formerly known as 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

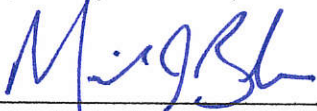
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for the fiscal year ended June 30, 2022. This was the 33rd consecutive year that the District has received this prestigious award. To be awarded a 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, 2022. 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 26 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, CPA, Chief Financial Officer



Nancy Samuels, CPA, Director, Fiscal Accountability



Annette Pinnock, Director of Accounting

MJB/HF/NS/AP:dgg



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, 2022

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 Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



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

John W. Hutchison
President

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

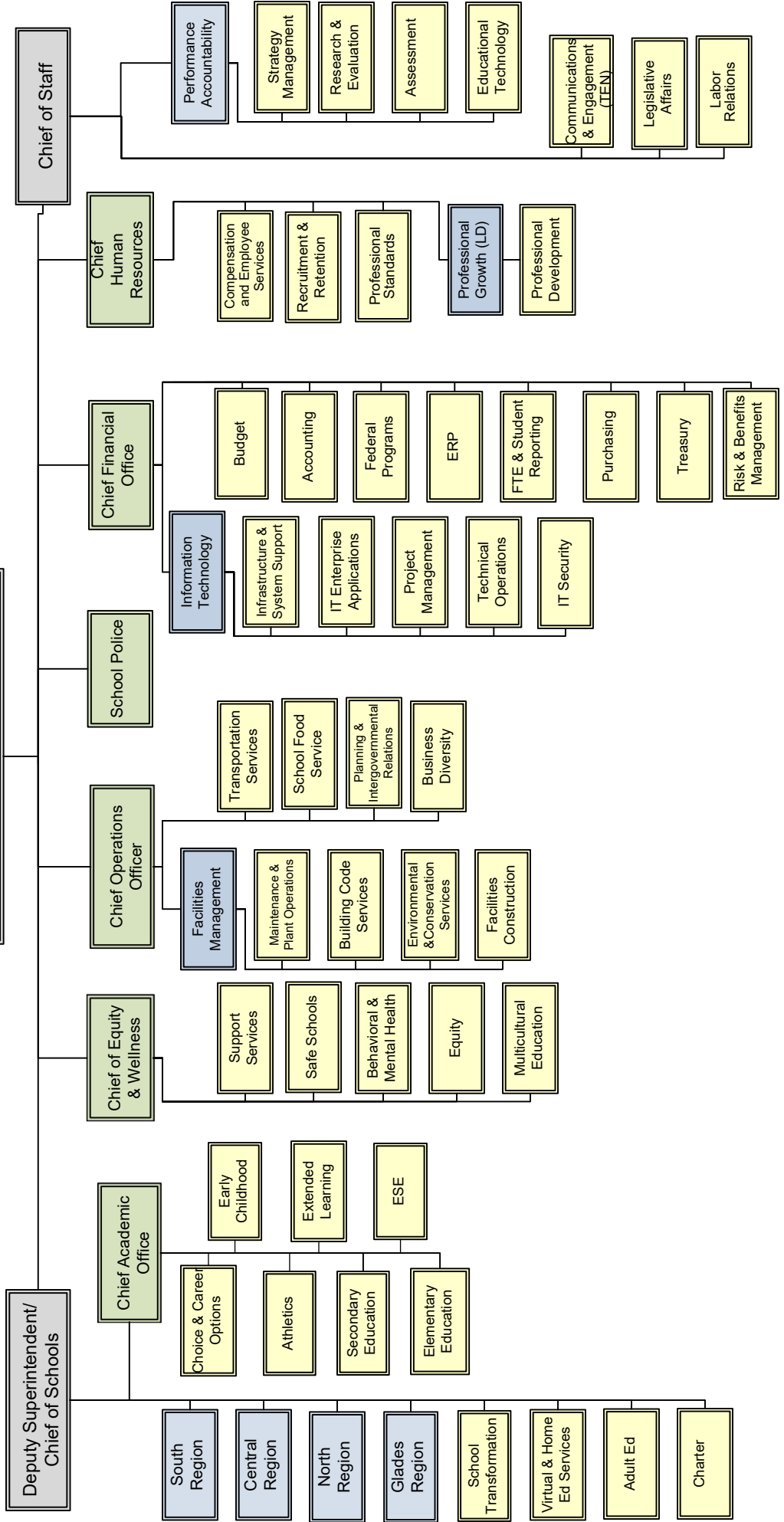
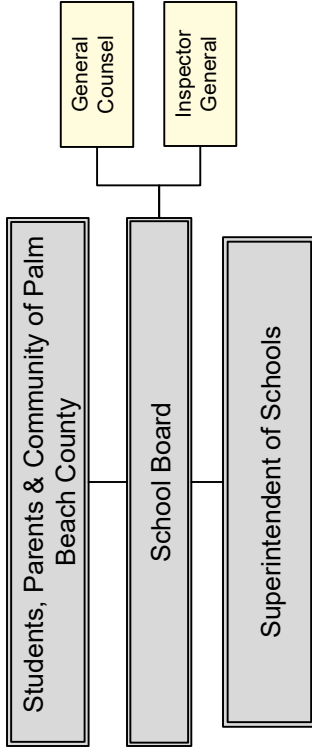
Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director





School District of Palm Beach County 2022-2023

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





THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PRINCIPAL OFFICIALS - NON-PARTISAN ELECTED
JUNE 30, 2023**

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 2026
Mrs. Erica Whitfield Member from District 4 Present term expires	November 2026
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 2026
Edwin Ferguson, Esq. Member from District 7 Present term expires	November 2026



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PRINCIPAL OFFICIALS - APPOINTED
JUNE 30, 2023**

Michael J. Burke	Superintendent
Shawntoyia Bernard, Esq.	Chief Counsel to the School Board
Teresa Michael	Inspector General
Edward Tierney	Deputy Superintendent/Chief of Schools
Jay Boggess	Chief of Staff
Deepak Agarwal	Chief Information Officer
Heather Frederick	Chief Financial Officer
Keith Oswald	Chief of Equity and Wellness
Timothy Kubrick	Chief of Human Resources
Joseph Sanches	Chief Operating Officer
Glenda Sheffield, Ed.D.	Chief Academic Officer



The School District
of Palm Beach County



FINANCIAL SECTION

2023



RSM US LLP

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. As a result of the adoption, beginning property under leases and SBITA and obligations under leases and SBITA were restated. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other post-employment benefits and pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are 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 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 combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023, on our consideration of the District's internal control over financial reporting and on 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 27, 2023

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The School District of Palm Beach County, Florida's (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, 2023, 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 (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 \$201.3 million, or 9.6 percent, from \$2.107 billion to \$2.309 billion. Property tax revenues increased \$244.8 million (mainly due to a 22.3 percent increase in property values) and investment earnings increased \$75.1 million, primarily due to increases in interest rates. The additional revenues were partially offset by enrollment at District schools which increased approximately 500 students and charter schools which increased approximately 285 students passing through additional Florida Education Finance Program (FEFP) revenue of \$25.0 million to charter schools, additional costs related to Family Empowerment Scholarships (FES) of \$24.5 million, and charter school Referendum settlement accrual of \$60.0 million.

The District's total long-term debt increased by \$97.5 million, or 6.8 percent, primarily due to the issuance of new certificates of participation of \$185.9 million, partially offset by debt repayments of \$89.0 million (discussed in Note 11).

Total revenues increased by \$325.2 million, or 10.9 percent, from \$2.973 billion to \$3.298 billion compared to the prior year.

- General revenues accounted for \$2,498 billion, or 75.7 percent, of all revenues and increased \$335.2 million or 15.5 percent. Property tax revenues increased \$244.8 million, investment earnings increased \$75.1 million, and local sales taxes increased by \$12.4 million.
- Program specific revenues in the form of charges for services, grants, and contributions accounted for \$800.2 million, or 24.3 percent, of all revenues and decreased by \$9.4 million, or 1.2 percent. Operating grants and contributions decreased overall by \$13.7 million, or 1.8 percent, primarily due to the decrease of \$15.3 million in food service-related grants partially offset by \$1.6 million in additional class size reduction funding from the state.

Total expenses increased by \$464.1 million from \$2.632 billion to \$3.096 billion. This was primarily due to increases for settlements related to the charter school referendum case of \$60.0 million; \$54.7 million in non-capitalizable capital outlay; \$24.0 million in textbook spending; \$65.0 million to charter schools and FES; \$32.5 million related to FRS, HIS, and OPEB actuarial valuations; and increased costs associated with salary increases, food service, additional healthcare costs, and increased enrollment in aftercare programs.

The District's governmental funds combined ending fund balances increased by \$332.5 million to \$1.583 billion, from \$1.251 billion in prior year. For the fiscal year ended June 30, 2023, the District's funds were as follows:

- General Fund (the primary operating fund), reflected on a current financial resources basis, ended the year with a fund balance of \$382.4 million, an increase of \$34.5 million, or 9.9 percent, over the prior year. Of the fund balance amount, \$75.0 million was classified as unassigned (available to cover unanticipated financial needs and includes the Board-approved contingency); \$182.3 million was classified as assigned; \$118.4 million was classified as restricted; and \$6.7 million was

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

classified as nonspendable. During the current year, General Fund revenues (including other financing sources) exceeded expenditures (including other financing uses) by \$34.5 million, primarily due to increased property taxes (including referendum), staff vacancies, and receipt of ESSER funds which shifted expenditures from General Fund to Special Revenue ESSER Fund.

- Capital Improvement Fund, a major fund, had a restricted fund balance of \$428.8 million, an increase of \$129.9 million, or 43.5 percent, over the prior year. Ad valorem taxes for capital projects totaled \$414.1 million and exceeded current year spending of \$53.6 million and transfers to the General Fund of \$107.9 million (mainly for capital maintenance and insurance) and to Other Non-Major Governmental Funds of \$140.5 million (mainly for debt service).
- Sales Tax Fund, another major fund, ended the year with a restricted fund balance of \$431.0 million, an increase of \$97.9 million, or 29.4 percent, over the prior year. The increase was primarily due to sales tax revenue in excess of capital outlay spending.
- Other Non-Major Governmental Funds ended the year with a fund balance of \$341.2 million, an increase of \$70.2 million, or 25.9 percent, over the prior year. Of the fund balance, \$4.6 million is classified as nonspendable; \$293.4 million is restricted for debt service and capital projects; \$39.7 million is restricted for child nutrition; and \$3.5 million is assigned for capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – MD&A (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *government-wide* financial statements that provide both *short-term* and *long-term* information about the District’s *overall* financial status.

The remaining statements are *fund* financial statements that focus on *individual parts* of the District, reporting the District’s operations *in more detail* than the government-wide statements.

- The *governmental funds* statements tell how *basic* services like instruction and instructional support services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the District operates like *businesses*, such as group health 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
Required financial statements	<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
Accounting basis and measurement focus	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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 MD&A highlights the structure and contents of each of the statements.

Government-Wide Financial Statements

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

The two government-wide statements report the District's *net position* and how they 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 should 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. 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 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 provide disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Government-Wide

The District’s net position was \$2.309 billion at June 30, 2023. The largest portion of the District’s net position, \$1.751 billion, reflects its investment in capital assets (i.e. land, buildings, furniture, buses, and equipment), less any outstanding related debt used to acquire those assets. 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 (\$1.183 billion) 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, 2023	*June 30, 2022	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 2,235,736	\$ 1,838,883	\$ 396,853	21.6%
Capital Assets (Net)	3,175,225	3,113,629	61,596	2.0%
Total Assets	5,410,961	4,952,512	458,449	9.3%
Deferred Loss on Debt Refunding	47,983	58,346	(10,363)	(17.8%)
Pension & OPEB Related	545,147	480,930	64,217	13.4%
Total Deferred Outflows of Resources	593,130	539,276	53,854	10.0%
Current and Other Liabilities	312,109	240,420	71,689	29.8%
Long-Term Liabilities	3,232,881	2,363,890	868,991	36.8%
Total Liabilities	3,544,990	2,604,310	940,680	36.1%
Pensions	70,449	716,829	(646,380)	(90.2%)
Leases	24,065	2,310	21,755	941.8%
Other Postemployment Benefits	56,031	61,095	(5,064)	(8.3%)
Total Deferred Inflows of Resources	150,545	780,234	(629,689)	(80.7%)
Net Position:				
Net Investment in Capital Assets	1,751,354	1,779,388	(28,034)	(1.6%)
Restricted	1,182,727	942,019	240,708	25.6%
Unrestricted (Deficit)	(625,525)	(614,163)	(11,362)	(1.8%)
Total Net Position	\$ 2,308,556	\$ 2,107,244	\$ 201,312	9.6%

* Revised for GASB Statement No 96, *Subscription-Based Information Technology Arrangements*; see Note 8.

Cash and other assets increased \$396.9 million, or 21.6 percent, primarily as a result of receipt of ESSER and grant funds and issuance of COPs Series 2022B. Pension and OPEB deferred outflow of resources increased by \$64.2 million, or 13.4 percent, primarily due to changes in actuarial assumptions and experience. Current liabilities increased by \$72.4 million, or 30.1 percent, primarily due to accrual of charter school referendum settlement of \$60.0 million and additional construction projects currently

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

underway. Long-term liabilities increased \$868.3 million, or 36.7 percent, primarily due to increases of \$709.5 million in net pension liability and \$38.7 million in OPEB liability which were both actuarially determined, and debt issuance proceeds of \$206.9 million, offset in part by debt repayments of \$89.0 million and amortization of premiums of \$21.9 million. Pension and OPEB-related deferred inflows of resources decreased \$651.4 million, or 83.7 percent, as a result of changes in actuarial values. See Notes 11, 12, and 13 for additional information regarding long-term liabilities.

The analysis in Table 1, on page 4, 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, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
Revenues:				
Program Revenue:				
Charges for Services	\$ 41,813	\$ 39,351	\$ 2,462	6.3%
Operating Grants and Contributions	734,459	748,127	(13,668)	(1.8%)
Capital Grants and Contributions	23,905	22,116	1,789	8.1%
General Revenue:				
Property Taxes	1,799,313	1,554,504	244,809	15.7%
Local Sales Taxes	206,140	193,710	12,430	6.4%
Grants and Contributions not Restricted	365,234	343,473	21,761	6.3%
Investment Earnings	75,392	293	75,099	25630.9%
Other General Revenue	51,525	70,983	(19,458)	(27.4%)
Total Revenues	<u>3,297,781</u>	<u>2,972,557</u>	<u>325,224</u>	<u>10.9%</u>
Functions/Programs Expenses:				
Instruction	1,698,103	1,436,600	261,503	18.2%
Instructional Support Services	252,043	218,602	33,441	15.3%
Board	9,817	8,328	1,489	17.9%
General Administration	26,168	25,750	418	1.6%
School Administration	147,644	128,463	19,181	14.9%
Facilities Acquisition and Construction	210,093	144,721	65,372	45.2%
Fiscal Services	8,138	6,720	1,418	21.1%
Food Services	122,996	102,695	20,301	19.8%
Central Services	21,742	37,836	(16,094)	(42.5%)
Student Transportation Services	61,706	52,510	9,196	17.5%
Operation and Maintenance of Plant	293,484	250,378	43,106	17.2%
Administrative Technology Services	6,488	5,375	1,113	20.7%
Community Services	45,868	31,457	14,411	45.8%
Interest on Long-Term Debt	53,322	54,913	(1,591)	(2.9%)
Unallocated Depreciation	138,857	127,978	10,879	8.5%
Total Expenses	<u>3,096,469</u>	<u>2,632,326</u>	<u>464,143</u>	<u>17.6%</u>
Change in Net Position	<u>201,312</u>	<u>340,231</u>	<u>(138,919)</u>	<u>(40.8%)</u>
Net Position - Beginning	<u>2,107,244</u>	<u>1,767,013</u>	<u>340,231</u>	<u>19.3%</u>
Net Position - Ending	<u>\$ 2,308,556</u>	<u>\$ 2,107,244</u>	<u>\$ 201,312</u>	<u>9.6%</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

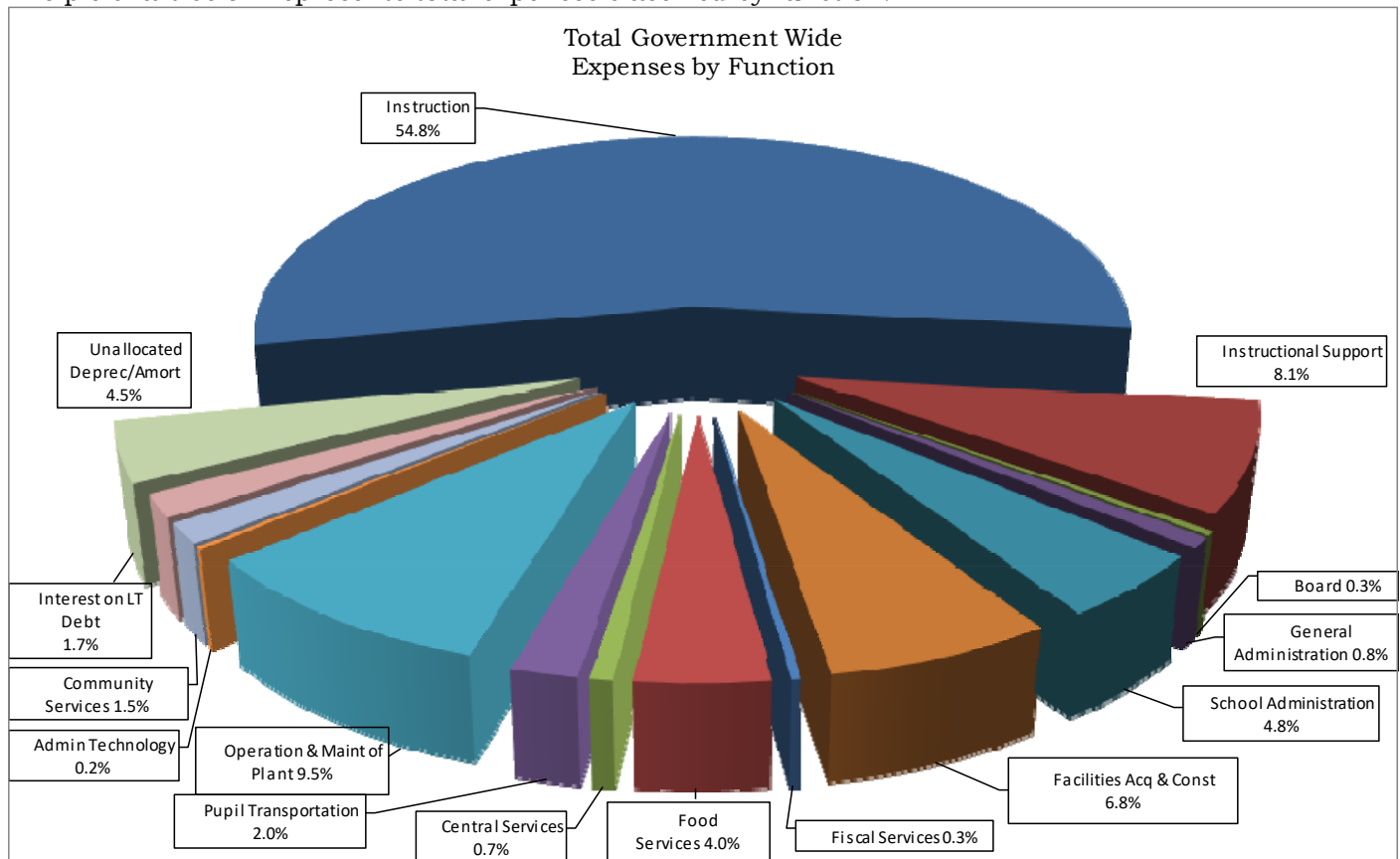
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The results of this year’s operations for the District as a whole are reported in the statement of activities. Table 2, on page 5, 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 the prior year.

As reported in the statement of activities, the cost of all of the governmental activities this year was \$3.096 billion. Some costs were paid by those who benefited from the programs (\$41.8 million), or by other governments and organizations who subsidized certain programs with grants and contributions (\$758.4 million). The District paid for the remaining “public benefit” portion of the governmental activities with \$1.799 billion in property taxes, \$206.1 million in local sales tax, \$365.2 million in grants and contributions not restricted to specific programs, \$75.4 million in interest earnings, and \$51.5 million in other general revenue.

Property taxes increased \$244.8 million, or 15.7 percent, which was primarily attributed to a 22.3 percent increase in property values. As a property rich county, Palm Beach County property taxpayers funded 65 percent of the District’s education costs in fiscal year 2023 compared to an average of 45 percent statewide not including voter approved referendums. Sales tax revenue increased \$12.4 million, or 6.4 percent, as a result of an increase in economic activity

The pie chart below represents total expenses classified by function.



FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Governmental Funds

As of June 30, 2023, the District’s governmental funds reported a combined fund balance of \$1.583 billion, which was an increase of \$332.5 million, or 26.6 percent, over the prior year.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The General Fund, which is the chief operating fund of the District, had a fund balance of \$382.4 million, an increase of \$34.5 million, or 9.9 percent, over the prior year. The increase was primarily due to increased funding through property taxes (including referendum), staff vacancies, and receipt of ESSER funds which shifted expenditures from General Fund to Special Revenue Funds.

The Capital Improvement Fund, reported an ending fund balance of \$428.8 million, an increase of \$129.9 million, or 43.5 percent, over the prior year. The increase was due to the timing of ad valorem tax revenue and capital outlay spending and transfers to the General Fund for capital maintenance and Other Non-Major Government Funds for debt service payments.

The Sales Tax Fund, reported an ending fund balance of \$431.0 million, an increase of \$97.9 million compared with the prior year, as a result of sales tax collections over capital spending.

Other Non-Major Governmental Funds, which represent a summarization of all the other non-major governmental funds, ended the year with total fund balance of \$341.2 million, an increase of \$70.2 million, or 25.9 percent, over prior year. The increase was primarily due to an additional \$29.6 million debt service required for August 2023, partially offset by a \$5.4 million loss in school food service operations.

Proprietary Funds

The District's internal service funds reported a combined net position of \$213.6 million. The Health Internal Service Fund ended the year with a net position of \$93.6 million, a decrease of \$29.5 million from prior year as a result of claims exceeding premiums collected. The Workers' Compensation and Claims Fund ended the year with a net position of \$113.8 million, an increase of \$30.5 million due to premiums exceeding claims and other expenses. The School Police Internal Service Fund ended the year with a net position of \$6.2 million, a decrease of \$985 thousand compared with the prior year primarily as a result of booking actuarially determined liabilities for Pension and OPEB. Proprietary funds use accrual basis accounting, thus this fund records actuarially determined long-term liabilities.

General Fund Budgetary Highlights

During the year, budgeted General Fund revenue increased \$83.4 million to \$2.157 billion. The increase in revenue was attributed to an increase of \$39.7 million in State and Federal funding resulting from FEMA collections and additional funding from the state, and \$43.7 million more in local property tax revenue resulting primarily from higher interest earnings and property taxes (including referendum).

The General Fund actual expenditures were less than the budgeted appropriations. This was primarily due to staff vacancies, as well as transfer of eligible costs to ESSER funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As shown in Table 3, on page 8, at June 30, 2023, the District had \$3.175 billion invested in a broad range of capital assets, including land; construction in progress; improvements other than buildings; buildings and improvements; furniture, fixtures and equipment; motor vehicles; lease assets; subscription assets; audio/video materials and software. This amount represents a net increase (including additions, deletions, amortization, and depreciation) of \$61.6 million from last year. Capital spending in the current year included the acquisition of 50 new buses for \$5.7 million; 50 new school police vehicles for \$2.7 million; 34 white fleet vehicles to replace our aging maintenance fleet and school food service vehicles for \$1.8 million; capital construction for \$132.2 million, and subscription-based information technology arrangements of \$13.3 million. See Note 6 of the notes to the financial statements for more information on capital assets.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Table 3

Capital Assets at Year End Governmental Activities (in thousands)			
	June 30, 2023	*June 30, 2022	Increase (Decrease)
Land	\$ 351,237	\$ 351,214	\$ 23
Construction in Progress	187,936	91,483	96,453
Improvements Other Than Buildings	71,140	68,196	2,944
Buildings and Fixed Equipment	4,291,844	4,270,606	21,238
Furniture, Fixtures, and Equipment	213,142	185,661	27,481
Motor Vehicles	136,093	128,686	7,407
Lease Assets	1,907	1,816	91
Subscription Assets	32,479	19,160	13,319
AV Materials and Computer Software	10,925	48,709	(37,784)
Less: Accum Dep and Amortization	(2,121,478)	(2,032,742)	(88,736)
Total Capital Assets, Net	<u>\$ 3,175,225</u>	<u>\$ 3,132,789</u>	<u>\$ 42,436</u>

* Revised for GASB Statement No 96, *Subscription-Based Information Technology Arrangements*; see Note 8.

In November 2016, the taxpayers of Palm Beach County approved a one-penny sales surtax of which 50 percent was allocated to the District. This surtax provides the District the ability to continue 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 below, at June 30, 2023, the District had \$1.522 billion in debt outstanding, which was \$97.5 million, or 6.8 percent, higher than the prior year. The increase was primarily related to the issuance of new certificates of participation offset by principal payments on existing debt. See Note 11 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, 2023	*June 30, 2022	Increase (Decrease)
Notes / Loans Payable	\$ 6,240	\$ 12,534	\$ (6,294)
Leases Payable	1,118	1,539	(421)
Subscriptions Payable	20,620	19,160	1,460
Capital Outlay Bond Issues	3,314	4,273	(959)
Certificates of Participation	1,369,995	1,265,425	104,570
Plus: Issuance Premium	121,175	122,075	(900)
Total	<u>\$ 1,522,462</u>	<u>\$ 1,425,006</u>	<u>\$ 97,456</u>

* Revised for GASB Statement No 96, *Subscription-Based Information Technology Arrangements*; see Note 8.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The limit for lease purchase agreement debt is tied to District capital millage. Annual debt service payments for lease purchase agreements may not exceed 75 percent of current year capital millage proceeds. Historically, the District has always been well within its 75 percent capacity; however, legislators reduced district debt service capacity by 25 percent from 2.0 to 1.75 mills in fiscal year 2009 and again from 1.75 to 1.50 mills in fiscal year 2010, and property values declined between fiscal years 2009 and 2013. These two factors have tightened up the District's margin of compliance. Other long-term obligations (not included above) include liabilities for compensated absences, estimated long-term claims, other post-employment benefits, and net pension liabilities.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District's revenues are determined in large part by the Florida Legislature and Governor. Funding per student is set as part of the State's annual budget approval. Local school board taxing authority is also governed at the 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.

Enrollment is expected to increase 9,579 students district-wide compared with fiscal year 2023. Enrollment in district-operated schools is expected to increase by approximately 700 students while charter school and McKay and FES are expected to increase by approximately 8,900 students combined. A one-time state-wide reserve of \$350 million has been set aside to cover growth beyond state projections to hopefully eliminate the need for a prorated holdback. The pass-through to charter schools is estimated at \$206.5 million and \$149.5 million to FES students. Staffing at the school sites was fully aligned based on projected enrollment.

The overall increase in fiscal year 2024 per-student funding is \$447.01 or 5.11 percent when comparing to the fiscal year 2023 FEFP budget. The 5 percent increase in per-student funding is tempered by the expansion of the voucher program. Enrollment is expected to increase with the majority of the increase in FES. The FEFP includes a \$183.44, or 3.54 percent, increase in base student allocation (after adjusting for the collapse of categoricals into the Base Student Allocation (BSA). The BSA funds a state-mandated 1.8 percent increase in the FRS rate and \$16.9 million (including charter schools) increase in teacher salary "categorical". In addition to the increases in the operating and capital funds, the District's share of COVID-19 related federal funds, ESSER, will sunset September 2024. Applying federal funds to eligible expenditures in fiscal years 2021 through 2023 has freed up one-time funds to help soften the Federal funding cliff in fiscal year 2025, as was done with the American Recovery and Reinvestment Act funds after the Great Recession.

The District will continue to receive the 1.00 millage referendum approved in November 2022 generating over \$275 million for District-operated schools. The referendum invests 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. The millage referendum was approved through 2027.

The capital budget is supported by a one cent local government infrastructure sales tax approved in November 2016. The District receives 50 percent of this sales tax revenue or approximately \$200.0 million per year. As stipulated in the ballot language, the sales tax levy must sunset no later than December 31, 2026.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, CPA
Chief Financial Officer
The School District of Palm Beach County, Florida
3300 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, 2023
(amounts expressed in thousands)

	Primary Government
	Governmental Activities
ASSETS	
Cash, Cash Equivalents, and Investments	\$ 2,060,368
Ad Valorem and Sales Taxes Receivable	65,243
Accounts, Deposits, and Interest Receivable	1,511
Due from Other Governments or Agencies	62,681
Inventories	11,313
Restricted Assets (Cash with Fiscal Agent)	2,542
Leases Receivable	24,065
Other Assets	8,013
Capital Assets:	
Land	351,237
Construction in Progress	187,936
Improvements Other Than Buildings	71,140
Buildings and Improvements	4,291,844
Furniture, Fixtures, and Equipment	213,142
Motor Vehicles	136,093
Property Under Leases and SBITA	34,386
Audio/Video Materials and Software	10,925
Less Accumulated Depreciation	(2,121,478)
Total Capital Assets, Net of Depreciation	<u>3,175,225</u>
TOTAL ASSETS	<u>5,410,961</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Debt Refunding	47,983
Pension Related Items	468,169
OPEB Related Items	76,978
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>593,130</u>
LIABILITIES	
Accounts and Contracts Payable	161,556
Accrued Payroll and Payroll Deductions	111,503
Retainage Payable on Contracts	12,202
Deposits Payable	300
Interest Payable	24,198
Unearned Revenue	2,350
Noncurrent Liabilities:	
Portion Due or Payable within One Year:	
Loans/Notes Payable	4,716
Obligations Under Leases and SBITA	10,063
Bonds Payable	404
Liability for Compensated Absences	18,418
Certificates of Participation Payable	97,455
Estimated Claims	28,388
Portion Due or Payable after One Year:	
Loans/Notes Payable	1,524
Obligations Under Leases and SBITA	11,675
Bonds Payable	3,525
Liability for Compensated Absences	201,789
Certificates of Participation Payable	1,393,100
Arbitrage Rebate Liability	714
Estimated Claims	33,667
Other Postemployment Benefits	101,939
Net Pension Liability	1,325,504
TOTAL LIABILITIES	<u>3,544,990</u>
DEFERRED INFLOWS OF RESOURCES	
Leases	24,065
Pension Related Items	70,449
OPEB Related Items	56,031
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>150,545</u>
NET POSITION	
Net Investment in Capital Assets	1,751,354
Restricted for:	
Categorical Carryover Programs	35,983
Debt Service	158,609
Capital Projects	852,111
School Food Service	44,252
Other Purposes	91,772
Unrestricted (deficit)	(625,525)
TOTAL NET POSITION	<u>\$ 2,308,556</u>

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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	\$ 1,698,103	\$ 2,425	\$ 452,626	\$ 12,151
Instructional Support Services	252,043	-	78,769	-
Board	9,817	-	-	-
General Administration	26,168	-	14,437	-
School Administration	147,644	-	20,849	-
Facilities Acquisition & Construction	210,093	-	24	10,613
Fiscal Services	8,138	-	223	-
Food Services	122,996	3,881	103,895	-
Central Services	21,742	-	1,497	-
Student Transportation Services	61,706	1,984	32,476	-
Operation of Plant	186,032	-	15,034	-
Maintenance of Plant	107,452	-	3,459	-
Administrative Technology Services	6,488	-	76	-
Community Services	45,868	33,523	11,094	-
Interest on Long-Term Debt	53,322	-	-	1,141
Unallocated Depreciation/Amortization Expense (See Note 6)	138,857	-	-	-
Total Primary Government Governmental Activities	\$ 3,096,469	\$ 41,813	\$ 734,459	\$ 23,905

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
Miscellaneous
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**

\$	(1,230,901)
	(173,274)
	(9,817)
	(11,731)
	(126,795)
	(199,456)
	(7,915)
	(15,220)
	(20,245)
	(27,246)
	(170,998)
	(103,993)
	(6,412)
	(1,251)
	(52,181)
	<hr/> (138,857)
	<hr/> (2,296,292)

	1,385,237
	414,076
	206,140
	365,234
	75,392
	51,525
	<hr/> 2,497,604
	201,312
	2,107,244
<hr/> \$	<hr/> <hr/> 2,308,556

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(amounts expressed in thousands)

	GENERAL FUND	CAPITAL IMPROVEMENT
ASSETS		
Cash, Cash Equivalents, and Investments	\$ 517,166	\$ 429,197
Ad Valorem and Sales Taxes Receivable	23,067	6,894
Accounts and Interest Receivable	1,511	-
Due from Other Governments or Agencies	6,734	-
Due from Other Funds	18,000	-
Leases Receivable	24,065	-
Inventories	6,748	-
Other Assets	32	-
TOTAL ASSETS	597,323	436,091
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts and Contracts Payable	82,254	6,257
Accrued Payroll and Payroll Deductions	102,890	-
Due to Other Funds	-	-
Retainage Payable on Contracts	-	1,060
Deposits Payable	300	-
Unearned Revenue	-	-
TOTAL LIABILITIES	185,444	7,317
DEFERRED INFLOWS OF RESOURCES		
Leases	24,065	-
Unavailable Revenue	5,443	-
TOTAL DEFERRED INFLOWS OF RESOURCES	29,508	-
FUND BALANCES		
Nonspendable	6,748	-
Restricted	118,373	428,774
Committed	-	-
Assigned	182,250	-
Unassigned	75,000	-
TOTAL FUND BALANCES	382,371	428,774
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 597,323	\$ 436,091

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

SALES TAX	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 429,589	\$ 371,672	\$ 1,747,624
35,282	-	65,243
-	-	1,511
-	49,242	55,976
-	-	18,000
-	-	24,065
-	4,565	11,313
-	52	84
<u>464,871</u>	<u>425,531</u>	<u>1,923,816</u>
28,308	43,466	160,285
-	12,496	115,386
-	18,000	18,000
5,558	5,584	12,202
-	-	300
-	2,976	2,976
<u>33,866</u>	<u>82,522</u>	<u>309,149</u>
-	-	24,065
-	1,781	7,224
<u>-</u>	<u>1,781</u>	<u>31,289</u>
-	4,565	11,313
431,005	333,121	1,311,273
-	92	92
-	3,450	185,700
-	-	75,000
<u>431,005</u>	<u>341,228</u>	<u>1,583,378</u>
<u>\$ 464,871</u>	<u>\$ 425,531</u>	<u>\$ 1,923,816</u>



**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023
(amounts expressed in thousands)**

Total Fund Balances - Governmental Funds \$ 1,583,378

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	\$ 5,296,703	
Accumulated Depreciation	(2,121,478)	
Total Capital Assets, Net of Depreciation	3,175,225	3,175,225

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	47,983	
Deferred Outflows - Pensions	454,134	
Deferred Outflows - OPEB	75,975	
Deferred Inflows - Pensions	(68,679)	
Deferred Inflows - OPEB	(55,301)	
	454,112	454,112

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. 7,929

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	337,029	
Liabilities and Deferred Inflows of Resources	123,479	
Net Position	213,550	213,550

Revenues that have been deferred or unearned in the governmental funds but are recognized as revenue in the governmental-wide financial statements. 7,850

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	(6,240)	
Obligations Under Leases and SBITA	(21,738)	
Bonds Payable	(3,929)	
Certificates of Participation Payable	(1,490,555)	
Arbitrage and Yield Restriction Rebate Liability	(714)	
Compensated Absences	(211,493)	
Other Postemployment Benefits	(100,611)	
Net Pension Liability	(1,274,010)	
Accrued Interest on Long-Term Debt	(24,198)	
	(3,133,488)	(3,133,488)

Total Net Position - Governmental Activities \$ 2,308,556

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, 2023
(amounts expressed in thousands)

	GENERAL FUND	CAPITAL IMPROVEMENT	SALES TAX
REVENUES			
Local sources:			
Ad Valorem Taxes	\$ 1,385,237	\$ 414,076	\$ -
Local Sales Taxes	-	-	206,140
Interest Income	25,283	17,779	13,384
School Age Child Care Fees	36,235	-	-
Food Service Sales	229	-	-
Impact Fees	-	-	-
Local Grants and Other	41,735	39	-
Total Local Sources	<u>1,488,719</u>	<u>431,894</u>	<u>219,524</u>
State Sources:			
Florida Education Finance Program	309,818	-	-
Capital Outlay and Debt Service	114	-	-
Food Service	-	-	-
Class Size Reduction	201,487	-	-
Charter School Capital Outlay	-	-	-
State Grants and Entitlements	125,401	-	-
Total State Sources	<u>636,820</u>	<u>-</u>	<u>-</u>
Federal Sources:			
Federal Grants and Entitlements	31,179	-	-
National School Lunch Act	-	-	-
Total Federal Sources	<u>31,179</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>2,156,718</u>	<u>431,894</u>	<u>219,524</u>
EXPENDITURES			
Current:			
Instruction	1,479,460	-	-
Instructional Support Services	173,628	-	-
Board	9,514	-	-
General Administration	11,169	-	-
School Administration	129,422	-	-
Facilities Acquisition and Construction	25,735	41,986	102,904
Fiscal Services	7,653	-	-
Food Services	157	-	-
Central Services	19,628	-	-
Student Transportation Services	57,388	-	-
Operation of Plant	180,168	-	-
Maintenance of Plant	103,303	-	-
Administrative Technology Services	6,363	-	-
Community Services	43,360	-	-
Total Current Expenditures	<u>2,246,948</u>	<u>41,986</u>	<u>102,904</u>

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

OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 1,799,313
-	206,140
8,810	65,256
-	36,235
3,652	3,881
34,225	34,225
15,776	57,550
<u>62,463</u>	<u>2,202,600</u>
-	309,818
7,624	7,738
1,011	1,011
-	201,487
12,151	12,151
4,331	129,732
<u>25,117</u>	<u>661,937</u>
320,305	351,484
102,870	102,870
423,175	454,354
<u>510,755</u>	<u>3,318,891</u>
194,278	1,673,738
73,396	247,024
-	9,514
14,281	25,450
12,736	142,158
48,090	218,715
230	7,883
121,600	121,757
1,361	20,989
2,753	60,141
4,739	184,907
2,434	105,737
21	6,384
1,976	45,336
<u>477,895</u>	<u>2,869,733</u>

(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, 2023
(amounts expressed in thousands)

	<u>GENERAL FUND</u>	<u>CAPITAL IMPROVEMENT</u>	<u>SALES TAX</u>
Capital Outlay	2,741	11,595	18,667
Debt Service:			
Retirement of Principal	12,371	-	-
Interest	-	-	-
Fiscal Charges	-	-	82
TOTAL EXPENDITURES	<u>2,262,060</u>	<u>53,581</u>	<u>121,653</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(105,342)</u>	<u>378,313</u>	<u>97,871</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	126,491	-	-
Transfers Out	(10)	(248,418)	-
Issuance of Debt - Leases	91	-	-
Issuance of Debt - SBITA	13,319	-	-
Issuance of Long-Term Debt	-	-	-
Net Premium (discount) from Issuance of Long-Term and Refunded Debt	-	-	-
Proceeds from Loss Recoveries	-	-	-
Sale of Capital Assets and Other	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>139,891</u>	<u>(248,418)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	34,549	129,895	97,871
FUND BALANCES, JULY 1, 2022	<u>347,822</u>	<u>298,879</u>	<u>333,134</u>
FUND BALANCES, JUNE 30, 2023	<u>\$ 382,371</u>	<u>\$ 428,774</u>	<u>\$ 431,005</u>

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

OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
137,495	170,498
88,583	100,954
64,594	64,594
1,013	1,095
<u>769,580</u>	<u>3,206,874</u>
 (258,825)	 112,017
 174,852	 301,343
(52,915)	(301,343)
-	91
-	13,319
185,900	185,900
 21,045	 21,045
27	27
135	135
<u>329,044</u>	<u>220,517</u>
 70,219	 332,534
 271,009	 1,250,844
<u>\$ 341,228</u>	<u>\$ 1,583,378</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, 2023
(amounts expressed in thousands)

Net Change in Fund Balances - Governmental Funds \$ 332,534

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 (\$183,301) in excess of depreciation and amortization expense (\$138,857) in the current period. 44,444

Governmental funds report the effect of the issuance of long-term debt, 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	\$ (10,363)	
Premium on Current Year Issuance	(21,045)	
Premium/Discount Amortization	<u>21,945</u>	(9,463)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 7,850

Revenues reported in the governmental funds that were reported as revenue in the statement of activities in the prior year under full accrual. (41,399)

Repayment of notes / loans and leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 6,294

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 82,289

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. (185,900)

Repayment of lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 12,371

The effect of additional capitalized leases and SBITA (GASB 87 and GASB 96) is to decrease net position. (13,410)

The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. (2,008)

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	2,551	
Compensated Absences	(4,030)	
Arbitrage and Yield Restriction	(714)	
Other Postemployment Benefits	(2,905)	
Pension Expense	(28,677)	
Accrued Interest on Long-Term Debt	<u>1,497</u>	(32,278)

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 loss of the internal service fund is reported with governmental activities. (12)

Change in Net Position - Governmental Activities \$ 201,312

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, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances -	
				Original to Final	Final to Actual
	Original	Final			
REVENUES					
Local Sources	\$ 1,444,981	\$ 1,488,719	\$ 1,488,719	\$ 43,738	\$ -
State Sources	619,825	636,820	636,820	16,995	-
Federal Sources	8,515	31,179	31,179	22,664	-
TOTAL REVENUES	<u>2,073,321</u>	<u>2,156,718</u>	<u>2,156,718</u>	<u>83,397</u>	<u>-</u>
EXPENDITURES					
Instruction	1,695,027	1,735,529	1,485,895	(40,502)	249,634
Instructional Support Services	187,472	188,511	173,642	(1,039)	14,869
Board	10,973	11,183	9,514	(210)	1,669
General Administration	11,805	12,619	11,169	(814)	1,450
School Administration	122,693	129,681	129,422	(6,988)	259
Facilities Acquisition and Construction	11,715	12,687	25,743	(972)	(13,056) *
Fiscal Services	7,975	7,949	7,653	26	296
Food Services	92	193	157	(101)	36
Central Services	18,771	19,803	19,633	(1,032)	170
Student Transportation Services	56,415	58,402	57,476	(1,987)	926
Operation of Plant	183,900	191,912	180,340	(8,012)	11,572
Maintenance of Plant	115,266	112,322	111,985	2,944	337
Administrative Technology Services	6,125	6,406	6,363	(281)	43
Community Services	59,809	68,403	43,779	(8,594)	24,624
Debt Service	-	512	512	(512)	-
TOTAL EXPENDITURES	<u>2,488,038</u>	<u>2,556,112</u>	<u>2,263,283</u>	<u>(68,074)</u>	<u>292,829</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(414,717)</u>	<u>(399,394)</u>	<u>(106,565)</u>	<u>15,323</u>	<u>292,829</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	141,895	126,491	126,491	(15,404)	-
Transfers Out	-	(10)	(10)	(10)	-
Issuance of Debt - Leases	-	91	91	91	-
Issuance of Debt - SBITA	-	-	13,319	-	13,319
TOTAL OTHER FINANCING SOURCES (USES)	<u>141,895</u>	<u>126,572</u>	<u>139,891</u>	<u>(15,323)</u>	<u>13,319</u>
NET CHANGE IN FUND BALANCE	<u>\$ (272,822)</u>	<u>\$ (272,822)</u>	<u>33,326</u>	<u>\$ -</u>	<u>\$ 306,148</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>347,822</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			381,148		
Adjustment To Conform With GAAP:					
Elimination of Encumbrances			<u>1,223</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 382,371</u>		

* Actual expenditures include Subscription-Based IT Arrangements (GASB 96) implementation.

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



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023
(amounts expressed in thousands)

	Governmental Activities Internal Service Fund
ASSETS	
Current Assets:	
Cash, Cash Equivalents, and Investments	\$ 312,744
Due from Other Agencies	6,705
Total Current Assets	<u>319,449</u>
Noncurrent Assets:	
Restricted Cash	2,542
Total Noncurrent Assets	<u>2,542</u>
Total Assets	<u>321,991</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	14,035
Other Postemployment Benefits	1,003
Total Deferred Outflows of Resources	<u>15,038</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,271
Accrued Payroll and Payroll Deductions	2,081
Portion Due or Payable within One Year:	
Estimated Unpaid Claims	28,388
Total Current Liabilities	<u>31,740</u>
Noncurrent Liabilities:	
Portion Due or Payable after One Year:	
Liability for Compensated Absences	2,750
Estimated Unpaid Claims	33,667
Other Postemployment Benefits	1,328
Pension	51,494
Total Noncurrent Liabilities	<u>89,239</u>
Total Liabilities	<u>120,979</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	1,770
Other Postemployment Benefits	730
Total Deferred Inflows of Resources	<u>2,500</u>
NET POSITION	
Unrestricted	<u>\$ 213,550</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, 2023
(amounts expressed in thousands)

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Premium Revenue	\$ 230,855
Charges for Services	36,177
Pharmacy Rebates	25,396
Other Operating Revenue	1,555
TOTAL OPERATING REVENUES	<u>293,983</u>
OPERATING EXPENSES	
Salaries	22,435
Benefits	10,507
Purchased Services	11,096
Energy	513
Supplies	428
Capital Outlay	248
Claims and Other Expenses	258,904
TOTAL OPERATING EXPENSES	<u>304,131</u>
OPERATING LOSS	(10,148)
NONOPERATING REVENUES	
Interest and Other Income	10,136
TOTAL NONOPERATING REVENUES	<u>10,136</u>
CHANGE IN NET POSITION	(12)
NET POSITION - Beginning of Year	<u>213,562</u>
NET POSITION - End of Year	<u>\$ 213,550</u>

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Interfund Premiums and Charges for Services	\$ 267,032
Cash Payments for Claims and Administration	(269,385)
Cash Receipts for Pharmacy Rebates	25,396
Cash Payments for Salaries and Benefits	(31,047)
Other Receipts	(1,082)
Net Cash used by Operating Activities	<u>(9,086)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Fair Value Adjustments on Investments	10,136
Net Cash provided by Investing Activities	<u>10,136</u>
Net Increase in Cash and Cash Equivalents	1,050
Cash and Cash Equivalents, Beginning of Year*	<u>314,236</u>
Cash and Cash Equivalents, End of Year*	<u><u>\$ 315,286</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (10,148)
Adjustments to Reconcile Operating Loss to Net Cash used by Operating Activities:	
Changes in Assets, Liabilities, Deferred Inflows, and Deferred Outflows of Resources:	
(Increase) Decrease in Due From Other Agencies	(1,448)
Increase (Decrease) in Payroll and Payroll Deductions	530
Increase (Decrease) in Compensated Absences	425
Increase (Decrease) in Accounts Payable	(123)
Increase (Decrease) in Net Pension Liability	23,950
Increase (Decrease) in OPEB Liability	601
Increase (Decrease) in Deferred Inflows	(21,793)
Increase (Decrease) in Deferred Outflows	(1,818)
Increase (Decrease) in Estimated Unpaid Claims	738
Total Adjustments	<u>1,062</u>
Net Cash used by Operating Activities	<u><u>\$ (9,086)</u></u>

*Includes Restricted Cash

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023
(amounts expressed in thousands)

	<u>PRIVATE- PURPOSE TRUST FUND</u>	<u>CUSTODIAL FUND</u>
	<u>FLORIDA FUTURE EDUCATORS OF AMERICA</u>	<u>SCHOOL INTERNAL FUNDS</u>
ASSETS		
Cash, Cash Equivalents, and Investments	\$ 321	\$ 24,700
Accounts Receivable	-	90
TOTAL ASSETS	<u>\$ 321</u>	<u>\$ 24,790</u>
LIABILITIES		
Accounts Payable	\$ -	\$ 239
TOTAL LIABILITIES	-	239
NET POSITION - RESTRICTED		
Restricted for Student Activities	-	24,551
Held in Trust for Scholarships	321	-
TOTAL NET POSITION	<u>\$ 321</u>	<u>\$ 24,551</u>

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

	PRIVATE- PURPOSE TRUST FUND	CUSTODIAL FUND
	FLORIDA FUTURE EDUCATORS OF AMERICA	SCHOOL INTERNAL FUNDS
ADDITIONS		
Miscellaneous Revenue	\$ -	\$ 27,890
Donations	21	6,298
TOTAL ADDITIONS	<u>21</u>	<u>34,188</u>
DEDUCTIONS		
Purchased Services	-	4,927
Supplies	-	11,535
Equipment	-	2,990
Other	-	14,210
Scholarships	27	-
TOTAL DEDUCTIONS	<u>27</u>	<u>33,662</u>
CHANGE IN NET POSITION	(6)	526
RESTRICTED NET POSITION - Beginning of year	<u>327</u>	<u>24,025</u>
RESTRICTED NET POSITION - End of year	<u>\$ 321</u>	<u>\$ 24,551</u>

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

NOTES TO THE FINANCIAL STATEMENTS



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District of Palm Beach County, Florida (District) have been reported to conform with Generally Accepted Accounting Principles (GAAP) in the United States of America 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 Section 1010.01, Florida Statutes, 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, Florida Statutes. The District's boundaries are coterminous with those of Palm Beach County. Management of the District is independent of county and city governments. The membership of the governing board of the District (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 Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, the criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body, and are either able to impose its will on the organization and there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. Applying this definition, District management has determined that the component unit reportable within the accompanying financial statements is the Palm Beach School Board Leasing Corporation (Corporation).

Blended Component Unit. Although the Corporation is legally separate from the District, the Board of the Corporation consists of the seven District Board members. The Corporation was formed to facilitate financing and construction of certain District school facilities. Due to the substantive economic relationship between the District and the Corporation, the District is financially accountable for the Corporation and its financial activities. Therefore the financial activities of the Corporation have been blended (reported as if they were part of the District) with those of the District. Separate financial statements for the Corporation are not published.

Based on assessing the criteria for classifying entities as component units under GASB Statement No. 61, charter schools do not meet the component unit requirements and are not reported within the District's financial statements.

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. The statements include financial activities of the primary government, except 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, 2023

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 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, each presented in a separate column. All remaining 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 funds are accounted for on an "economic resources" measurement focus. Accordingly, the statement of revenues, expenses and changes in fund net position for the proprietary funds 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 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 District reports the following 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.

Capital Improvement Fund

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

Sales Tax Fund

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

Other Non-Major Governmental Funds

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

PROPRIETARY FUNDS

The proprietary funds are 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 funds the District has are 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

The internal service funds are 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 workers' compensation, general and auto liability claims. Expenditures of the self-insurance funds are charged back to the appropriate governmental fund. The District also has a school police internal service fund to aggregate and charge out the actual cost of school police officers to the schools.

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.

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 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 60 days subsequent to fiscal year end. Under the

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 postemployment benefits, pensions, claims payable, bonds, loans, and leases.

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

Accrual

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

REVENUE RECOGNITION

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

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

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Sales Tax and Impact Fees – Sales tax and impact fee revenue anticipated to be collected within 60 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 7, 2022, with the final amendments approved by the Board. Significant dates in the budgeting timetable follow:

1. The Palm Beach County Property Appraiser (Property Appraiser) certifies to the District the taxable value of all nonexempt District property by July 1 of each year, or the Clerk of the Circuit Court is required to certify an interim tax roll.
2. Within 24 days of tax roll certification, the Board considers and approves for advertising a tentative budget.
3. Within 29 days after tax roll certification, the District advertises the tentative budget and the millage rates therein.
4. A public hearing to adopt the tentative budget and proposed millage rate is held not less than two nor more than five days after the budget is advertised.
5. Within 35 days of tax roll certification, the District notifies the 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 canceled 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, 2023, for funds under budgetary control have been re-appropriated for the June 30, 2024, fiscal year operating budget within the appropriate fund. Programs restricted for carryover include all State categorical grants required to be expended on specific programs and District-approved carryover programs.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 U. S. 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 Securities and Exchange Commission 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 (see Note 3).

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. United States Department of Agriculture (USDA) commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method. Inventorial items are recorded as expenditures when shipped to schools and department offices (the consumption method). The nonspendable fund balance at the governmental fund level is equal to the amount of inventories at year-end to indicate the portion of the governmental fund balances that are nonspendable.

G. Prepaid Items

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

H. Capital Assets

Capital assets represent the cumulative amount of capital assets owned and in use by the District. Purchased assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position. Gifts or contributions are recorded at estimated acquisition value at the time received. The District's capitalization levels are \$1,000 on tangible personal property, \$50,000 on improvements other than buildings, and \$100,000 on building improvements and 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 or amortized (see Note 6).

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Depreciation and amortization 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
Lease Assets	2 – 5 years
Buildings and Improvements	15 – 50 years
Improvements Other Than Buildings	15 years
Intangibles	5 years

I. Leases

The District is a lessee for noncancelable leases of equipment and facilities. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The District recognizes lease assets with an initial value of \$50,000 or more.

At the commencement of the lease, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of lease liability, adjusted for any payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the District determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The lease contracts did not contain an implicit rate; therefore the District used an incremental borrowing rate. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and renewal options that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will do so if certain changes occur that would be expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position (see Notes 6, 7, and 11).

J. Subscription-Based Information Technology Arrangements

The District has recorded subscription-based information technology arrangement (SBITA) assets and liabilities as a result of implementing GASB Statement No. 96. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

The costs of normal maintenance and repairs that do not add to the values of the assets or materially extend the asset lives are not capitalized and are expensed as incurred.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will do so if certain changes occur that would be expected to significantly affect the amount of the lease liability.

SBITA assets are reported with other capital assets and SBITA lease liabilities are reported with long-term debt on the statement of net position (see Notes 6, 8, and 11).

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

K. Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of net 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 Statement No. 68, reports pension-related deferred outflows of resources and deferred inflows of resources on its financial statements. A third item, in accordance with GASB Statement No. 75, reports OPEB-related deferred outflows of resources and deferred inflows of resources on its financial statements.

On the government-wide financial statements, deferred outflows of resources total \$593.1 million with activity for fiscal year ended June 30, 2023, as follows (in thousands):

Deferred Outflows of Resources	Ending Balance		Ending Balance	
	June 30, 2022	Increase	Decrease	June 30, 2023
Net Carrying Amount of Deferred Refunding	\$ 58,346	\$ -	\$ 10,363	\$ 47,983
Pension Related - FRS	345,173	397,742	345,173	397,742
Pension Related - HIS	89,372	70,427	89,372	70,427
OPEB Related	46,385	30,593	-	76,978
Total Deferred Outflows of Resources	\$ 539,276	\$ 498,762	\$ 444,908	\$ 593,130

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. One item, in accordance with GASB Statement No. 87, reports right to use leases related to deferred inflows of resources on its financial statements. In the governmental funds, the District had \$24.1 million related to leases and \$7.2 million unavailable revenue (primarily \$5.4 million related to Medicaid administration claims and \$1.5 million related to the School Hardening Grant) that qualified as a deferred inflow of resources and 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 totaled \$150.5 million with activity for fiscal year ended June 30, 2023, as follows (in thousands):

Deferred Inflows of Resources	Ending Balance		Ending Balance	
	June 30, 2022	Increase	Decrease	June 30, 2023
Leases	\$ 2,310	\$ 22,275	\$ 520	\$ 24,065
Pension Related - FRS	690,600	-	686,656	3,944
Pension Related - HIS	26,229	40,276	-	66,505
OPEB Related	61,095	-	5,064	56,031
Total Deferred Inflows of Resources	\$ 780,234	\$ 62,551	\$ 692,240	\$ 150,545

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L. 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 a liability in the statement of net position. Bond premiums/ discounts and bond insurance cost are amortized over the life of the bonds. See also Note 11.

M. 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 9).

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.

N. 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 recognized primarily in the general fund as payments come due each period, for example, as a result of employee resignations and retirements. At June 30, 2023, the amount recorded in the general fund for compensated absences was \$7.7 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 11).

O. 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 and 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 12.

P. 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.

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Q. Postemployment 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 Note 13. OPEB is unfunded at June 30, 2023.

R. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which became effective for fiscal year ended 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 disclosures. This standard did not have an impact on the District's financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which became effective for fiscal year ended June 30, 2022, with the exception of the removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate which became effective for fiscal year ended June 30, 2023. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of in Interbank Offered Rate (IBOR). 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 No. 53, as amended; and (7) providing an exception to the lease modifications in Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this statement will reduce the cost of the accounting and financial reporting ramifications of replacement IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. This standard did not have an impact on the District's financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* which became effective for fiscal year ended June 30, 2023. The requirements of this statement will improve financial reporting by establishing the definitions of public-private and public-public partnership (PPPs) arrangements and availability payment arrangements and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future

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obligations and assets resulting from PPPs. This standard did not have an impact on the District’s financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96) which became effective for fiscal year ended June 30, 2023. The objective of this statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (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 statement requires the cumulative effect of applying this statement be reported as a restatement of beginning net position and impacts the beginning balances in Notes 6, 8, and 11. The cumulative effect of applying this standard is reported as shown below (in thousands):

	Governmental Activities	
	Right-to-Use SBITA Asset	SBITA Liability
Balances, June 30, 2022, as Previously Reported	\$ -	\$ -
Adjustment for Implementation of GASB 96	19,160	19,160
Balances, July 1, 2022, as Restated	\$ 19,160	\$ 19,160

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, which became effective, in part, for fiscal year ended June 30, 2023. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

- The requirements related to leases, PPPs, and SBITAs became effective for fiscal year ended June 30, 2023, and are implemented in the District’s financial statements, as applicable.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 will become effective for fiscal year ending June 30, 2024. Management is currently evaluating the impact of the adoption of this statement on the District’s financial statements.

Recently Issued Accounting Pronouncements

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which will become effective for fiscal year ending June 30, 2024. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This standard is not expected to impact the District’s financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which will become effective for the fiscal year ending June 30, 2025. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified

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model and by amending certain previously required disclosures. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

2. AD VALOREM TAXES

The Board is authorized by Florida Statutes to levy property taxes for District operations, capital improvements, and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. The Palm Beach County Property Appraiser assesses property values and the Palm Beach County Tax Collector (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 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 percent are available for early payment. The majority of ad valorem taxes are collected in November and December and remitted to the Board. Section 197.383, Florida Statutes, requires the 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 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. For the 2022-23 fiscal year, the total millage rate levy was 6.519 mills (including 1.00 mills approved by voters in November 2018) and the total assessed value on which the levy was based was \$287.3 billion. Gross taxes levied were approximately \$1.8 billion. Total revenue, net of discounts, was approximately \$1.8 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 the 2022-23 fiscal year, the maintenance transfer amounted to approximately \$98.5 million. Additionally, approximately \$15.9 million was transferred for property insurance. The total transfer from nonvoted capital improvement funds was approximately \$107.9 million and \$6 million from other non-major funds.

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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 fair 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 percent to 125 percent depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositories resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. All bank balances of the District are fully insured or collateralized. At June 30, 2023, the carrying amount of the District's cash deposits was approximately \$342.3 million and the bank balance was approximately \$131.8 million. The carrying amount of the Custodial Fund - School Internal Funds cash deposits was approximately \$24.7 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 Public Assets for Liquidity Management (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 withdraw from either of these pools.

Investments

The District's investment policy permits investments in the Florida PRIME, FL Palm, securities of the U.S. 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 fair 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 assets are quoted prices in active markets for identical assets; Level 2 assets are valued using a matrix pricing technique of quoted prices for similar assets or liabilities in active markets. 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 statement of net position.

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As of June 30, 2023, the District had the following unrestricted cash, cash equivalents, and investments with stated maturities that were categorized as Level 1 and Level 2 (in thousands):

Investments by Level	Balance (in thousands)	Fair Value Measurements Using		Effective Duration (years)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Commercial Paper	\$ 378,200	\$ -	\$ 378,200	0.12
Core Fund Investments				
US Treasury - Notes	61,227	61,227	-	1.52
Federal Agency - Bond/Notes	13,553	-	13,553	0.27
Corporate Notes	31,033	-	31,033	1.46
Municipal Bonds	2,689	-	2,689	0.71
Federal Agency - Discount Note	210,273	-	210,273	0.33
Total Investments by Fair Value Level	318,775	\$ 61,227	\$ 257,548	
Investments Reported at Amortized Cost				
FL Palm	306,050			
US Treasury - Notes	3,259			
Money Market Funds	592,302			
Florida PRIME	119,458			
Total Investments Reported at Amortized Cost	1,021,069			
Total Investments	1,718,044			
Cash Deposits	342,324			
Total Cash and Investments*	\$ 2,060,368			

* Excludes Fiduciary Funds.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 5.5 years and the average duration of the funds as a whole may not exceed 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 July 2022 and December 2023. As of June 30, 2023, the District held \$31.0 million in corporate notes of which \$19.8 million in fair value was callable, which permit the issuer to redeem the securities prior to their original maturity date.

Concentration of Credit Risk

Concentration of credit risk is the risk of losses due to too high a concentration of investments in a single investment. 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 percent of the portfolio may be invested in U.S. Government securities, 80 percent may be invested in Federal instrumentalities (U.S.

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Government-sponsored agencies) with no more than 50 percent with a single issuer and 50 percent may be invested in U.S. Government agencies with no more than 25 percent with a single issuer. Corporate notes are limited to 30 percent of the portfolio with no more than 5 percent with a single issuer.

	CARRYING AMOUNT (in thousands)	PERCENTAGE OF INVESTMENT BALANCE	RATING S&P / MOODY'S
Money Market Funds			
Wells Fargo	\$ 358,754	17.41%	AAAm/Aaa-mf
Dreyfus Treasury and Agency	187,150	9.08%	AAAm/Aaa-mf
Federated Government Obligation	26,629	1.29%	AAAm/Aaa-mf
Fidelity Institutional Government Fund	19,769	0.96%	AAAm/AAA-mf
FL Palm	306,050	14.85%	AAAm
Florida PRIME (SBA)	119,458	5.80%	AAAm
Commercial Paper	378,200	18.36%	(1)
Investments in Fixed Income Securities			
US Treasury - Notes/Bill	64,486	3.13%	AA+/Aaa
Federal Agency - Bond/Notes	13,553	0.66%	AA+/Aaa
Federal Agency - Discount Notes	210,273	10.21%	A-1+/P-1
Corporate Notes	31,033	1.51%	(2)
Municipal Bonds	2,689	0.13%	(3)
Total Investments	1,718,044	83.39%	
Plus Cash Deposits	342,324	16.61%	
Total Cash and Investments	\$ 2,060,368	100.00%	

(1) Commercial Paper rating range: S&P (A-1+ to A-1) and Moody's (P-1).

(2) Ninety-four Corporate Notes rating range: S&P (AA to BBB+) and Moody's (Aaa to A3).

(3) Municipal Bonds rating range: S&P (AAA to AA-) and Moody's (Aaa to Aa3).

As of June 30, 2023, 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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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" by Standard & Poor's (S&P). The maximum length to maturity for corporate notes shall be 5.5 years from the date of purchase. As of June 30, 2023, the District held \$31.0 million of corporate notes which had an S&P rating between AA and BBB+. All investments in the Federally Backed Securities (Fannie Mae, Freddie Mac (also known as Federal Home Loan Mortgage Corporation) and Farmer Mac) had an S&P rating of AA+ and a Moody's rating of Aaa for securities held for more than one year. All other rated investments were rated between BBB+ and AAAm by S&P. As of June 30, 2023, the Local Government Investment Pools were rated AAAm by S&P.

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Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, 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, 2023, 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, 2023, the District had a total of approximately \$62.7 million in due from other governments or agencies which consisted of the following balances (in thousands):

	General Fund	Other Non- Major Governmental	Internal Service Fund	Total
Federal and State Sources				
Medicaid*	\$ 5,434	\$ -	\$ -	\$ 5,434
Grants and Entitlements	-	44,707	-	44,707
FEMA and Other Emergency Claims*	590	-	-	590
CO&DS	-	10	-	10
Local Sources				
Pharmacy Rebates	-	-	6,705	6,705
Other	710	4,525	-	5,235
Total Due From Other Governments or Agencies	<u>\$ 6,734</u>	<u>\$ 49,242</u>	<u>\$ 6,705</u>	<u>\$ 62,681</u>

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

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5. INTERFUND ACTIVITIES

Due to/from other funds consisted of the following balances at June 30, 2023, (in thousands):

	Interfund Receivables	Interfund Payables
General Fund	\$ 18,000	\$ -
Other Non-Major Governmental Funds	-	18,000
Total Interfund	\$ 18,000	\$ 18,000

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

Interfund transfers for the year ended June 30, 2023, were as follows (in thousands):

	Transfer To:		
		Other Non- Major Governmental Funds	Total Governmental Funds
Transfer From:	General Fund		
General Fund	\$ -	\$ 10	\$ 10
Capital Improvement	107,877	140,541	248,418
Other Non-Major Governmental	18,614	34,301	52,915
Total	\$ 126,491	\$ 174,852	\$ 301,343

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, Florida Statutes. Transfers to other non-major funds mainly relate to amounts needed to make debt service payments.

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6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, is as follows (in thousands):

	*Restated Beginning Balance July 1, 2022	Additions and Transfer In	Retirements and Transfers Out	Ending Balance June 30, 2023
<u>Non-Depreciable Assets:</u>				
Land	\$ 351,214	\$ 23	\$ -	\$ 351,237
Construction in Progress	91,483	132,228	35,775	187,936
Total Non-Depreciable Assets	442,697	132,251	35,775	539,173
<u>Depreciable Assets:</u>				
Improvements Other Than Buildings	68,196	2,944	-	71,140
Buildings and Improvements	4,270,606	26,327	5,089	4,291,844
Furniture, Fixtures & Equipment	185,661	33,220	5,739	213,142
Motor Vehicles	128,686	10,841	3,434	136,093
Audio/Video Materials & Software	48,709	83	37,867	10,925
Lease Assets (see also Note 7)	1,816	91	-	1,907
Subscription Assets* (see also Note 8)	19,160	13,319	-	32,479
Total Depreciable Assets	4,722,834	86,825	52,129	4,757,530
<u>Less Depreciation and Amortization:</u>				
Improvements Other Than Buildings	(52,574)	(2,591)	-	(55,165)
Buildings and Improvements	(1,733,049)	(89,369)	(5,090)	(1,817,328)
Furniture, Fixtures & Equipment	(121,972)	(23,610)	(5,653)	(139,929)
Motor Vehicles	(80,271)	(11,737)	(3,426)	(88,582)
Audio/Video Materials & Software	(44,597)	(1,480)	(35,952)	(10,125)
Lease Assets	(279)	(442)	-	(721)
Subscription Assets	-	(9,628)	-	(9,628)
Total Accum Depr and Amort	(2,032,742)	(138,857)	(50,121)	(2,121,478)
Capital Assets, Net	\$ 3,132,789	\$ 80,219	\$ 37,783	\$ 3,175,225

*Restated for GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022; see Note 8.

Depreciation and amortization expense for the year ended June 30, 2023, of approximately \$138.9 million was not allocated to specific functions. The District's capital assets essentially serve all functions and as such, the depreciation and amortization expense is included as a separate line item in the statement of activities.

7. LEASES

Leases Payable

The District has entered into agreements to lease certain equipment and facilities. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and have been recorded at the present value of the future minimum payments of the date of inception. The lease liability is calculated using an implicit rate of 3.5 percent, which represents the District's incremental borrowing rate. The lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payment made. The lease assets are amortized on a straight-line basis over the shorter of the life of the assets or the related lease.

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The classes and amounts of lease assets as of June 30, 2023, are as follows (in thousands):

	Asset Balances
GPS Systems	\$ 1,382
Office Equipment	198
Facilities	327
Total	\$ 1,907

A summary of changes of changes in leases payable for the fiscal year ended June 30, 2023, is as follows (in thousands):

	Amount Issued	Interest Rate	June 30, 2022	Increases	Decreases	June 30, 2023
GPS Systems	\$ 1,382	3.50%	\$ 1,168	\$ -	\$ (260)	\$ 908
Office Equipment	198	3.50%	148	-	(54)	94
Facilities	327	3.50%	132	91	(107)	116
	\$ 1,907		\$ 1,448	\$ 91	\$ (421)	\$ 1,118

Future minimum lease payments as of June 30, 2023, are as follows (in thousands):

Fiscal Year Ending June 30	Principal	Interest	Total Principal and Interest
2024	\$ 430	\$ 42	\$ 472
2025	350	42	392
2026	288	47	335
2027	50	9	59
Total Minimum Lease Payments	\$ 1,118	\$ 140	\$ 1,258

Leases Receivable

The District entered into an educational broadband service (EBS) *de facto* lease agreement to permit operation on certain EBS channels permitting a portion of the capacity on the channels to be leased for commercial purposes and to support the educational mission of the District. Future minimum lease payments and the present value of the minimum lease payments as of June 30, 2023, are as follows (in thousands):

Fiscal Year Ending June 30	Principal	Interest	Total Principal and Interest
2024	\$ 1,571	\$ 56	\$ 1,627
2025	1,499	106	1,605
2026	1,436	155	1,591
2027	1,391	205	1,596
2028	1,348	254	1,602
2029-2033	6,135	1,960	8,095
2034-2038	5,279	2,983	8,262
2039-2043	4,193	3,422	7,615
2044-2045	1,213	1,323	2,536
Total Minimum Lease Payments	\$ 24,065	\$ 10,464	\$ 34,529

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District has recorded several multi-year subscription-based information technology arrangements (SBITAs) as a result of implementing GASB Statement No. 96. The District has several SBITAs for the right-to-use educational and non-educational software totaling \$32.5 million. The District has discounted the future minimum payments using its incremental borrowing rate of 3.5 percent.

The classes and amounts of SBITAs as of June 30, 2023, are as follows (in thousands):

	<u>Asset Balances</u>
Non-Educational	\$ 25,343
Educational	7,136
Total	<u>\$ 32,479</u>

A summary of changes in SBITAs payable for the fiscal year ended June 30, 2023, is as follows (in thousands):

	Amount Issued	Interest Rate	*Restated July 1, 2022	Increases	Decreases	June 30, 2023
Educational	\$ 6,155	3.50%	\$ 6,155	\$ 981	\$ (3,430)	\$ 3,706
Non-Educational	25,343	3.50%	13,005	12,338	(8,429)	16,914
	<u>\$ 31,498</u>		<u>\$ 19,160</u>	<u>\$ 13,319</u>	<u>\$ (11,859)</u>	<u>\$ 20,620</u>

*Restated for GASB No. 96, as of July, 1, 2022.

Future minimum lease payments and the present value of the minimum lease payments as of June 30, 2023, are as follows (in thousands):

Fiscal Year Ending June 30	Principal	Interest	Total Principal and Interest
2024	\$ 9,633	\$ 718	\$ 10,351
2025	7,642	381	8,023
2026	2,073	117	2,190
2027	1,272	45	1,317
Total	<u>\$20,620</u>	<u>\$1,261</u>	<u>\$21,881</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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FOR THE YEAR ENDED JUNE 30, 2023

9. 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 Section 768.28, Florida Statutes. 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 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, 2023, using a discounted rate factor of 2 percent. The liability consists of claims reported and payable, as well as an estimate for claims incurred but not reported. At June 30, 2023, the liability for claims consisted of approximately \$20.9 million, \$7.0 million, and \$34.2 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 (in thousands):

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2023
Beginning Balance	\$ 62,296	\$ 61,317
Additions:		
Current Year Claims and Changes in Estimates	240,991	246,018
Reductions:		
Claim Payments	(241,970)	(245,280)
Ending Balance	\$ 61,317	\$ 62,055

10. SHORT-TERM DEBT

Revolving Line of Credit

The District has an unused revolving line of credit (RLOC) of \$80.0 million from PNC Bank, used to finance sales tax projects. The District pays an unused fee of 0.10 percent each month. Should the District make a draw on the RLOC, interest would be assessed at a rate of 79 percent of 1-M Bloomberg Short-Term Bank Yield plus 35 LIBOR plus 0.41 percent. The RLOC can be increased to a maximum amount of \$200.0 million with appropriate notice to the bank. The RLOC matures on July 13, 2023.

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, filing of bankruptcy, reorganization, and insolvency. In addition, if 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 becomes due and payable.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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FOR THE YEAR ENDED JUNE 30, 2023

11. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2023, is as follows (in thousands):

	* Restated				
	Beginning Balance			Ending Balance	Amounts Due Within
	July 1, 2022	Additions	Reductions	June 30, 2023	One Year
Governmental Activities:					
Bonds, Notes and Other Payables:					
Notes/Loans Payable	\$ 12,534	\$ -	\$ (6,294)	\$ 6,240	\$ 4,716
Leases Payable (see Note 7)	1,448	91	(421)	1,118	430
Subscriptions Payable* (see Note 8)	19,160	13,319	(11,859)	20,620	9,633
Capital Outlay Bond Issue	4,273	-	(959)	3,314	404
Certificates of Participation	1,265,425	185,900	(81,330)	1,369,995	97,455
	<u>1,302,840</u>	<u>199,310</u>	<u>(100,863)</u>	<u>1,401,287</u>	<u>112,638</u>
Plus Issuance Premium	122,075	21,045	(21,945)	121,175	-
Total Bonds, Notes and Other Payables	<u>1,424,915</u>	<u>220,355</u>	<u>(122,808)</u>	<u>1,522,462</u>	<u>112,638</u>
Other Liabilities:					
Compensated Absences	217,469	20,388	(17,650)	220,207	18,418
Self-Insurance					
Claims and Judgments (see Note 9)	61,317	246,018	(245,280)	62,055	28,388
Arbitrage Rebate Liability	-	714	-	714	-
Net OPEB Liability (see Note 13)	63,218	38,721	-	101,939	-
Net Pension Liability (see Note 12)	616,040	709,464	-	1,325,504	-
Total Other Liabilities	<u>958,044</u>	<u>1,015,305</u>	<u>(262,930)</u>	<u>1,710,419</u>	<u>46,806</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 2,382,959</u>	<u>\$ 1,235,660</u>	<u>\$ (385,738)</u>	<u>\$ 3,232,881</u>	<u>\$ 159,444</u>

* Restated for GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022.

The compensated absences 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 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 percent. Under the terms of the loan agreement, the debt was payable over five years and will mature on August 1, 2023.

On September 6, 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 percent. Under the terms of the loan agreement, the debt is payable over five years and will mature on August 1, 2024.

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NOTES TO THE FINANCIAL STATEMENTS
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A summary of loans payable terms are presented as follows (in thousands):

Equipment Loans	Date of Issue	Amount Issued	Remaining		Debt		Debt
			Interest Rates (Percent)	Final Maturity Date	Outstanding June 30, 2022	Debt Redeemed	Outstanding June 30, 2023
2018	10/18/18	\$ 16,072	3.10%	08/01/23	\$ 5,039	\$ 3,334	\$ 1,705
2019	09/16/19	14,700	1.72%	08/01/24	7,495	2,960	4,535
		<u>\$ 30,772</u>			<u>\$ 12,534</u>	<u>\$ 6,294</u>	<u>\$ 6,240</u>

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

Year Ended June 30	Principal	Interest	Total Principal and Interest
2024	\$ 4,716	\$ 91	\$ 4,807
2025	1,524	13	1,537
	<u>\$ 6,240</u>	<u>\$ 104</u>	<u>\$ 6,344</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 leased or sold. The proceeds will be applied to the unpaid obligations. As of June 30, 2023, the District has two direct borrowings with \$6.2 million outstanding under the Master Equipment Lease Purchase Agreement.

Events of default related to the 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 under any other agreement for borrowing money, lease financing, or otherwise receiving credit under which there is outstanding aggregate amount of at least 10 percent 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.

State Board of Education Capital Outlay Bond Issues

State Board of Education (SBE) 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 (SBA) determines the annual sinking fund requirements. The amounts necessary to retire bonds and interest payable are withheld from the entitlement to the District. The interest rate on the COBI bonds is 5 percent. 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 (in thousands):

Capital Outlay Bond Issues	Date of Issue	Amount Issued	Remaining		Debt		Debt
			Interest Rates (Percent)	Final Maturity Date	Outstanding June 30, 2022	Debt Matured	Outstanding June 30, 2023
COBI 2011-A	12/7/2011	\$ 5,820	-	1/1/2023	\$ 565	\$ 565	\$ -
COBI 2020-A	1/14/2020	4,918	5.00%	1/1/2031	3,708	394	3,314
		<u>\$ 10,738</u>			<u>\$ 4,273</u>	<u>\$ 959</u>	<u>\$ 3,314</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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The debt service requirements through maturity to the holders of the COBI are as follows (in thousands):

Year Ended June 30	Principal	Interest	Total Principal and Interest
2024	\$ 404	\$ 166	\$ 570
2025	424	146	570
2026	450	124	574
2027	472	102	574
2028	493	78	571
2029-2031	1,071	81	1,152
Total	\$ 3,314	\$ 697	\$ 4,011

Certificates of Participation

On November 16, 1994, the District entered into a Master Lease Purchase Agreement (Master Lease) dated November 1, 1994, with the Palm Beach School Board Leasing Corporation (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 (COP) financed facilities, with the District as lessee. The Corporation issues COPs 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 District entered into Ground Leases with the Corporation for the facilities sites.

As part of the American Reinvestment and Recovery Act (ARRA), 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 COPs through the Build America Bonds program, also created by the ARRA legislation. The District issued taxable bonds and receives a federal subsidy from the U.S. Treasury department equal to the difference between the taxable and tax-exempt rates prior to each payment date. The COPs 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 5.4 percent. The District paid interest only until August 2019 when annual deposits to the sinking fund began. 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 \$51.7 million was expected to be recorded as revenue in the year earned. Starting in 2013, sequestration reduced the subsidy and the current projected subsidy is \$48.8 million. Therefore, the District will pay interest of \$4.9 million of the federal subsidy. In the current year, the District recorded \$3.3 million subsidy as revenue and \$3.7 million as interest expense resulting in a net interest payment of \$0.4 million.

Subsequent to the sale of the QSCBs, the District entered into a forward delivery agreement (FDA) classified as a nonparticipating interest-earning investment contract with Barclays Bank related to the COP 2010A QSCB. An FDA 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 U.S. Treasury and AAA-rated senior debt obligations of Fannie Mae, Freddie Mac, the Federal Home Loan Bank System, 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 FDA will generate a guaranteed fixed rate of return of 4.262 percent 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.

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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 2002B, Series 2002C, Series 2002D, Series 2003B, Series 2004A, Series 2006A, Series 2007A, Series 2007B, Series 2007E, Series 2010A, Series 2020A, Series 2021A, Series 2021B; Series 2022A, Series 2022B, and QSCB Series 2010A Facilities by the District and the Trustee's re-letting for the remaining Ground Lease term or sale of the facilities. In either case, the proceeds will be applied against the Board's obligations under the Master Lease.

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

Certificate Series	Date of Issue	Amount Issued	Remaining Interest Rates (Percent)		Final Maturity Date	Debt Outstanding June 30, 2022	Debt Issued	Debt Matured	Debt Outstanding June 30, 2023	Ground Lease Term
2010A QSCB	11/15/2010	\$ 67,665	5.40%	*	08/01/2025	\$ 67,665	\$ -	\$ -	\$ 67,665	08/01/2032
2012A (1)	05/15/2012	20,085	-		08/01/2022	1,795	-	1,795	-	08/01/2028
2012C (2)	08/09/2012	67,145	-		08/01/2022	4,565	-	4,565	-	08/01/2029
2014B (3)	06/27/2014	166,010	5.00%		08/01/2025	75,675	-	17,685	57,990	08/01/2025
2014C (4)	07/29/2014	33,280	5.00%	**	08/01/2031	33,280	-	-	33,280	08/01/2031
2015A (5)	05/05/2015	106,315	-		08/01/2022	9,570	-	9,570	-	08/01/2022
2015B (6)	01/14/2015	145,535	5.00%		08/01/2031	108,270	-	8,605	99,665	08/01/2031
2015D (7)	04/30/2015	221,640	5.00%		08/01/2032	186,100	-	6,105	179,995	08/01/2032
2015C (8)	10/28/2015	62,970	5.00%		08/01/2032	62,970	-	-	62,970	08/01/2032
2017A (9)	10/11/2017	147,850	5.00%		08/01/2027	131,305	-	3,990	127,315	08/01/2027
2017B (10)	12/26/2017	41,945	5.00%		08/01/2028	41,945	-	6,335	35,610	08/01/2032
2018A (11)	02/13/2018	114,770	5.00%		08/01/2027	79,795	-	11,795	68,000	08/01/2027
2018B (12)	02/28/2018	103,955	5.00%		08/01/2028	91,735	-	3,955	87,780	08/01/2028
2018C (13)	02/28/2018	120,790	5.00%		08/01/2029	115,485	-	6,930	108,555	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
2022A (14)	05/05/2022	39,610	1.37%	**	08/01/2029	39,610	-	-	39,610	08/01/2029
2022B	09/15/2022	185,900	5.00% to 5.25%		08/01/2040	-	185,900	-	185,900	08/01/2045
		<u>\$ 1,861,125</u>				<u>\$ 1,265,425</u>	<u>\$ 185,900</u>	<u>\$ 81,330</u>	<u>\$ 1,369,995</u>	

* 2010A QSCB - Average coupon rate before IRS subsidy is 5.4%. Net interest rate with IRS subsidy is 0.5058%.

**Outstanding direct placement debt.

Notes to Certificates of Participation Series leases:

- (1) Issued to advance refund and defease a portion of Series 2002D COPs, refunded and partially defeased by Series 2017B COPs. **
- (2) Issued to advance refund and defease a portion of Series 2004A COPs, refunded and partially defeased by Series 2022A COPs. **
- (3) Issued to advance refund and defease a portion of Series 2011B COPs (which previously refunded Series 2001B COPs). **
- (4) Issued to advance refund and defease a portion of Series 2007A COPs. **
- (5) Issued to advance refund and defease a portion of Series 2005A COPs (which previously refunded Series 2001A, 2002A, 2002C, and 2002D COPs). **
- (6) Issued to advance refund and defease a portion of Series 2006A COPs. **
- (7) Issued to advance refund and defease portions of Series 2007A and 2007E COPs. **
- (8) Issued to advance refund and defease a portion of Series 2011A COPs (which previously refunded Series 2007B COPs). **
- (9) Issued to advance refund and defease a portion of Series 2007C COPs (which previously refunded Series

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2001A and 2002C COPs). **

- (10) Issued to advance refund and defease a portion of Series 2011A and 2012A COPs (which previously refunded Series 2007B and 2002D COPs). **
- (11) Issued to advance refund and defease Series 2002B COPs. **
- (12) Issued to advance refund and defease Series 2012B COPs (which previously refunded Series 2002D COPs). **
- (13) Issued to advance refund and defease Series 2003B COPs. **
- (14) Issued to refund and defease Series 2012C COPs. **

** 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 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, and are payable to certificate holders on August 1 and February 1.

Due to the economic substance of the issuances of COPs 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 fiscal year ended June 30, 2023, \$154.9 million was expended for capital outlay in the COPs capital projects funds.

The District uses COPs to finance capital projects, which is based on a COP Master Lease Purchase Agreement dated 1994. If the 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 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 Board. As of June 30, 2023, the District has two direct placements with \$72.9 million outstanding under the COP Master Lease.

Events of default related to COPs would be if the 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, or reorganization. However, any of these items caused by a failure of the Board to appropriate funds shall not constitute an event of default.

All COPs issued are subject to arbitrage rebate. At June 30, 2023, the arbitrage and yield restriction liability was \$714 thousand.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

Year ended June 30	Series 2014B	Series 2014C	Series 2015B	Series 2015C	Series 2015D	Series 2017A	Series 2017B
2024	\$ 18,480	\$ -	\$ 9,040	\$ -	\$ 6,410	\$ 15,020	\$ 6,365
2025	19,325	-	9,490	-	6,735	15,830	6,690
2026	20,185	-	9,965	-	7,780	16,740	5,625
2027	-	-	10,460	-	26,815	38,730	-
2028	-	-	10,985	-	28,160	40,995	-
2029-2033	-	33,280	49,725	62,970	104,095	-	16,930
2034-2038	-	-	-	-	-	-	-
2039-2041	-	-	-	-	-	-	-
Total	\$ 57,990	\$ 33,280	\$ 99,665	\$ 62,970	\$ 179,995	\$ 127,315	\$ 35,610

Year ended June 30	Series 2018A	Series 2018B	Series 2018C	Series 2020A	Series 2021A	Series 2021B	Series 2022A
2024	\$ 12,365	\$ 6,785	\$ 6,320	\$ -	\$ -	\$ -	\$ 5,430
2025	12,965	7,065	7,145	-	-	-	5,505
2026	13,535	7,205	9,115	-	-	-	5,580
2027	14,225	7,575	4,070	-	-	-	5,655
2028	14,910	7,860	4,065	-	-	-	5,735
2029-2033	-	51,290	77,840	53,625	-	-	11,705
2034-2038	-	-	-	50,195	42,025	9,935	-
2039-2041	-	-	-	-	59,880	-	-
Total	\$ 68,000	\$ 87,780	\$ 108,555	\$ 103,820	\$ 101,905	\$ 9,935	\$ 39,610

Year ended June 30	Series 2022B	Series 2010A QSCB	Total Lease Payment	Total Interest	Total Lease Payment & Interest
2024	\$ 11,240	\$ -	\$ 97,455	\$ 65,031	\$ 162,486
2025	11,340	-	102,090	60,240	162,330
2026	9,190	67,665	172,585	53,439	226,024
2027	9,860	-	117,390	46,259	163,649
2028	10,345	-	123,055	40,454	163,509
2029-2033	22,210	-	483,670	122,282	605,952
2034-2038	51,575	-	153,730	53,843	207,573
2039-2041	60,140	-	120,020	9,432	129,452
Total	\$ 185,900	\$ 67,665	\$ 1,369,995	\$ 450,980	\$ 1,820,975

State law requires that no more than 75 percent of the capital millage levy be used for COP debt service. 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 was determined that

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significant savings should be achieved by shortening the maturity of future debt from 25 to 15 – 20 years with the principal payments beginning in 2030 with interest only for the first 10 years. This structure will be reviewed and revised with each future debt issue. Based on the wrapped structure, the District’s legal lease purchase agreement remaining debt issuance capacity is \$166.2 million and \$62.8 million based on Board policy which recommends no more than 50 percent of capital millage levy be used for COP debt service. During the 2022-23 fiscal year, debt service payments remained in compliance at 41.6 percent of capital millage proceeds.

12. RETIREMENT PLANS

Florida Retirement System (FRS)

General Information about the FRS

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

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

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	\$ 966,322	\$ 397,742	\$ 3,944	\$ (30,222)
District's Proportion of the HIS Pension Plan	359,182	70,427	66,505	763
Total	\$ 1,325,504	\$ 468,169	\$ 70,449	\$ (29,459)

FRS Pension Plan - Defined Benefit

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

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- *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 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in 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.

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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	3.00%
Senior Management Service	2.00%
Special Risk	3.00%

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2022-23 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	11.91
FRS, Elected County Officers	3.00	57.00
FRS, Senior Management Service	3.00	31.57
FRS, Special Risk Regular	3.00	27.83
DROP - Applicable to Members		
from All of the Above Classes	0.00	18.60
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy.

Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The District's contributions to the Plan totaled \$119.3 million for the fiscal year ended June 30, 2023. 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, 2023, the District reported a liability of \$966.3 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as

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of July 1, 2022. The District's proportionate share of the net pension liability was based on the District's 2021-22 fiscal year contributions relative to the total 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the District's proportionate share was 2.597 percent, which was a decrease of 0.009 from its proportionate share measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$30.2 million. 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	\$ 45,895	\$ -
Change of Assumptions	119,007	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	63,806	-
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	49,691	(3,944)
District FRS Contributions Subsequent to the Measurement Date	119,343	-
Total	\$ 397,742	\$ (3,944)

The deferred outflows of resources related to pensions, totaling \$119.3 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 ending June 30, 2024. 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>
2024	\$ 69,054
2025	34,735
2026	(5,105)
2027	167,309
2028	8,462
Total	\$ 274,455

Actuarial Assumptions. The total pension liability in the July 1, 2022, 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	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

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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%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	100%			
Assumed inflation - Mean			2.4%	1.3%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.7 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate changed from 6.8 percent to 6.7 percent.

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 6.7 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 (5.7 percent) or 1-percentage-point higher (7.7 percent) than the current rate (amounts in thousands):

	1% Decrease (5.7%)	Current Discount Rate (6.7%)	1% Increase (7.7%)
District's Proportionate Share of the Net Pension Liability	\$ 1,671,187	\$ 966,322	\$ 376,971

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, 2023, the District reported a payable of \$26.2 million for the outstanding amount of contributions to the FRS Plan required for the fiscal year ended June 30, 2023.

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 Florida Department of Management Services, Division of Retirement.

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Benefits Provided. For the fiscal year ended June 30, 2023, 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, 2023, 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 \$21.6 million for the fiscal year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, the District reported a net pension liability of \$359.2 million for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the District's 2021-22 fiscal year contributions relative to the total 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the District's proportionate share was 3.391 percent, which was a decrease of 0.026 from its proportionate share measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized negative pension expense of \$0.8 million. 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	\$ 10,902	\$ (1,581)
Change of Assumptions	20,589	(55,565)
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	520	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	16,833	(9,359)
District HIS Contributions Subsequent to the Measurement Date	21,583	-
Total	<u>\$ 70,427</u>	<u>\$ (66,505)</u>

The deferred outflows of resources related to pensions, resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$21.6 million will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of

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resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Year Ending June 30	Amount
2024	\$ (4,005)
2025	(1,354)
2026	363
2027	(1,181)
2028	(7,824)
Thereafter	(3,660)
Total	\$ (17,661)

Actuarial Assumptions. The total pension liability in the July 1, 2022, 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 Rate	3.54 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with 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.

Discount Rate. The discount rate used to measure the total pension liability was 3.54 percent. 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. The discount rate changed from 2.16 percent to 3.54 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.54 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate (in thousands):

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
District's Proportionate Share of the Net Pension Liability	\$ 410,934	\$ 359,182	\$ 316,359

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.

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Payables to the Pension Plan. At June 30, 2023, the District reported a payable of \$3.4 million for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2023.

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.

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. Retirement benefits are based upon the value of the member’s account upon retirement. 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. 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. Allocations to the Investment Plan member’s accounts during the 2022-23 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	9.30%
FRS, Elected County Officers	14.34%
FRS, Senior Management Service	10.67%
FRS, Special Risk Regular	17.00%

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, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2023, 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 in which 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 \$19.7 million (which includes \$9.2 million of employee contribution) for the fiscal year ended June 30, 2023. This excludes the HIS defined benefit pension plan contributions.

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Payables to the Investment Plan. At June 30, 2023, the District reported a payable of \$1.7 million for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2023.

13. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS

The District follows the guidance contained in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), for certain postemployment health care benefits provided by the District for the fiscal year ended June 30, 2023.

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District that provides OPEB for all employees who satisfy the District's retirement eligibility provisions. 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 percent 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 OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of District staff and action from the Board. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB 75.

Benefits Provided. The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. At June 30, 2023, the following employees were covered by the benefit terms:

Active Employees	19,668
Inactive Employees or Beneficiaries Currently Receiving Benefits	437
Total	20,105

Total OPEB Liability. The District's total OPEB liability of \$101.9 million was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.65 percent
20-Year Tax-Exempt General Obligation Bonds	3.65 percent
Salary Increase Rate	3.25 percent per annum
Inflation	2.5 percent per annum
Census Data	Provided by the District as of June 2023.
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.

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Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 18.6 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 40 percent of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement. The assumption is based on the actual participation experience covering calendar years ending 2018 through 2022.
Mortality Rates	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).
Termination Tables	FRS Actuarial Valuation as of July 1, 2022
Retirement Tables	FRS Actuarial Valuation as of July 1, 2022

The discount rate was based on the daily rate of Fidelity's 20-Year Municipal General Obligation AA Index closest to but not later than the measurement date.

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.

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.

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Changes in the Total OPEB Liability. Below are the details regarding the total OPEB liability for the measurement period from July 1, 2022, to June 30, 2023, (in thousands):

	Total OPEB Liability
Balance at July 1, 2022	\$ 63,218
Changes for the Fiscal Year:	
Service Cost	3,509
Interest	2,296
Difference Between Expected and Actual Experience	12,249
Changes in Assumptions and Other Inputs	24,395
Benefit Payments	(3,728)
Net Change in Total OPEB	38,721
Balance at June 30, 2023	\$ 101,939

Changes of assumptions and other inputs reflect a recent census survey which increased the expected participation rate from 30 percent to 40 percent and a change in the discount rate from 3.54 percent as of June 30, 2022, to 3.65 percent as of June 30, 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate (amounts in thousands):

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 110,856	\$ 101,939	\$ 93,791

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 (in thousands):

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 90,090	\$ 101,939	\$ 116,053

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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2023, the District recognized OPEB expense of \$6.8 million. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows	Deferred Inflows
Difference Between Expected and Actual Experience	\$ 11,590	\$ (40,415)
Changes of Assumptions or Other Inputs	65,388	(15,616)
Total	\$ 76,978	\$ (56,031)

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

Year Ending June 30	Amount
2024	\$ 987
2025	987
2026	987
2027	987
2028	987
Thereafter	16,012
	\$ 20,947

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

14. NET POSITION AND FUND BALANCE REPORTING

Fund Balance

GASB Statement No. 54 categorizes fund balance as either nonspendable or spendable. Nonspendable is defined as the portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. District nonspendable items include inventories.

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

- Restricted fund balance is constrained by external parties, and constitutional provisions or enabling legislation. District restricted balances includes: Carryover balances as a result of revenue received with constraints from Federal laws, Florida Statutes, 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 Board. District committed balance includes: Funds committed by the Board on June 2, 2010, for future purchase and installation of equipment needed to transmit and receive programming for The Education Network (TEN). It is recommended that the funds received related to the U.S. DOJ Equitable Sharing Program be specifically earmarked for the expenses related to the program. Formal action by the Board is required to establish, modify, or rescind a fund balance commitment.
- Assigned fund balances are amounts that are constrained by the Board or Superintendent to be used for a specific purpose. Section 1001.51, Florida Statutes, *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 Board Policy 2.55, *Fund Balance for Contingency*, to set aside 3 percent 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 \$75.0 million or 3.5 percent of general fund total expenditures.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

The following table shows the District's fund balance classification at June 30, 2023, (in thousands):

	Major Funds			Other Non-Major	Total Governmental
	General Fund	Capital Improvement	Sales Tax		
FUND BALANCES:					
<u>Nonspendable:</u>					
<u>Inventory:</u>					
Textbooks	\$ 3,197	\$ -	\$ -	\$ -	\$ 3,197
Child Nutrition	-	-	-	4,565	4,565
Transportation	889	-	-	-	889
Warehouse	2,646	-	-	-	2,646
Other	16	-	-	-	16
Total Nonspendable	6,748	-	-	4,565	11,313
<u>Restricted for:</u>					
Categorical Carryover Programs	35,983	-	-	-	35,983
IB, AP, AICE & Industry Cert Prog	33,335	-	-	-	33,335
Industry Certification	11,010	-	-	-	11,010
School Improvement	2,154	-	-	-	2,154
Turn-Around Schls Ext Instruction	36	-	-	-	36
Local Sales Tax Projects	-	-	431,005	-	431,005
Workforce Development	7,761	-	-	-	7,761
Spectrum Leases	2,606	-	-	-	2,606
Referendum	25,032	-	-	-	25,032
BP Oil	324	-	-	-	324
FL Civics Seal of Excellence	132	-	-	-	132
Child Nutrition	-	-	-	39,687	39,687
Debt Service	-	-	-	182,807	182,807
Capital Projects	-	428,774	-	110,627	539,401
Total Restricted	118,373	428,774	431,005	333,121	1,311,273
<u>Committed to:</u>					
The Education Network Program	-	-	-	13	13
US DOJ Equitable Sharing Program	-	-	-	79	79
Total Committed	-	-	-	92	92
<u>Assigned to:</u>					
<u>School Operations:</u>					
Instruction	264	-	-	-	264
Instructional Support Services	14	-	-	-	14
Transportation	88	-	-	-	88
Central Services	5	-	-	-	5
Capital Outlay	8	-	-	-	8
Operation of Plant	425	-	-	-	425
<u>Community Services:</u>					
After Care/Summer Camp	21,248	-	-	-	21,248
Pre-K/VPK Fee Based Activities	4,155	-	-	-	4,155
Community Schools	921	-	-	-	921
Other	419	-	-	-	419
Capital Projects	-	-	-	3,450	3,450
Misc Local Grants/Donations	6,171	-	-	-	6,171
Health	15,000	-	-	-	15,000
Next Year Budget Appropriations	133,532	-	-	-	133,532
Total Assigned	182,250	-	-	3,450	185,700
Unassigned	75,000	-	-	-	75,000
Total Fund Balance	\$ 382,371	\$ 428,774	\$ 431,005	\$ 341,228	\$ 1,583,378

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

15. COMMITMENTS AND CONTINGENCIES

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

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

On September 9, 2021, the Florida Supreme Court declined to entertain the District’s appeal of the Fourth District Court of Appeal’s decision in the Charter School Referendum (Referendum) case. The District began distributing funds monthly starting July 2021. The issue about the first two years of the Referendum (2019-20 and 2020-21 fiscal years) was still being litigated. On May 17, 2023, the Fourth District Court of Appeal denied the District’s request for a rehearing, indicating that charter schools continue to prevail regarding the first two years of the Referendum. The District’s only option is to request the Florida Supreme Court to hear the case, although the chances of prevailing are considered unlikely based on past history of related court cases. As a result, District management determined the 2019-20 and 2020-21 fiscal year retroactive amount of \$45 million plus \$15 million in interest is considered probable and was accrued in June 2023. The District expects to make these payments during the 2023-24 fiscal year; however, District management will continue to monitor the case and should any significant developments occur, will reassess the liability and make any revisions as applicable.

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 \$302.7 million and other encumbrances of \$11.9 million as of June 30, 2023, and are shown below (in thousands):

	Encumbrances	Construction Commitments	Total
General Fund	\$ 1,223	\$ -	\$ 1,223
Capital Improvement	-	36,937	36,937
Sales Tax	-	144,032	144,032
Other Non-Major Governmental	10,671	121,773	132,444
Total Commitments	<u>\$ 11,894</u>	<u>\$ 302,742</u>	<u>\$ 314,636</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

16. SUBSEQUENT EVENTS

As noted in Note 10, the unused RLOC of \$80.0 million from PNC Bank matured on July 13, 2023. The District will no longer have access to this RLOC.

On November 2, 2022, the Board approved the issuance of COPs Series 2023A (tax-exempt) with principal of \$200 million and Series 2023B (taxable) with a principal of \$25 million. The issuance was delayed while awaiting final project budgets. Subsequently, on October 18, 2023, as the previously approved resolution was out of date, the Board authorized the resolution to issue the COPs Series 2023A with an aggregate principal amount not to exceed \$165 million. The issuance will provide the funding needed to finance certain educational facilities and equipment. The estimated costs associated with the issuance of debt is not to exceed \$1.3 million. The 2023A transaction will mature no later than August 1, 2048.



REQUIRED SUPPLEMENTARY INFORMATION



**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the FRS net pension liability (asset)	2.5971%	2.6063%	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)	\$ 966,322	\$ 196,874	\$ 1,070,284	\$ 790,114 *	\$ 697,680	\$ 686,486	\$ 587,133	\$ 314,284	\$ 154,697
District's covered payroll	\$ 1,238,673	\$ 1,208,170	\$ 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	78.01%	16.30%	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	82.89%	96.40%	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)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 119,343	\$ 111,961	\$ 100,299	\$ 83,294	\$ 72,055	\$ 66,459	\$ 60,417	\$ 57,082	\$ 59,324
District FRS contributions in relation to the contractually required contribution	(119,343)	(111,961)	(100,299)	(83,294)	(72,055)	(66,459)	(60,417)	(57,082)	(59,324)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,298,140	\$ 1,238,673	\$ 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	9.19%	9.04%	8.30%	6.91%	6.72%	6.32%	5.97%	5.77%	6.14%

Change in Assumption:

The discount rate was changed from 6.80 percent as of June 30, 2022, to 6.70 percent as of June 30, 2023.

Note: (1) The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the HIS net pension liability (asset)	3.3912%	3.4172%	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)	\$ 359,182	\$ 419,166	\$ 426,485	\$ 361,034	\$ 343,983	\$ 347,078	\$ 378,316	\$ 326,211	\$ 309,012
District's covered payroll	\$ 1,238,673	\$ 1,208,170	\$ 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	29.00%	34.69%	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	4.81%	3.56%	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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 21,583	\$ 20,514	\$ 20,082	\$ 20,118	\$ 17,883	\$ 17,613	\$ 17,178	\$ 16,674	\$ 12,227
District HIS contributions in relation to the contractually required contribution	(21,583)	(20,514)	(20,082)	(20,118)	(17,883)	(17,613)	(17,178)	(16,674)	(12,227)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,298,140	\$ 1,238,673	\$ 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%	1.66%	1.66%	1.67%	1.67%	1.67%	1.70%	1.68%	1.27%

Change in Assumption:

The discount rate was changed from 2.16 percent as of June 30, 2022, to 3.54 percent as of June 30, 2023.

Note: (1) The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

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

	2023	2022	2021	2020	2019	2018	2017
Service Cost	\$ 3,509	\$ 4,439	\$ 8,911	\$ 7,678	\$ 7,418	\$ 7,142	\$ -
Interest	2,296	1,527	4,583	5,688	5,591	5,546	-
Changes of benefit terms			(110,639)				
Differences between expected and actual experience	12,249		(43,937)		(3,464)		
Changes of assumptions or other inputs	24,395	(8,316)	10,565	34,006	14,398	(7,413)	-
Benefit Payments	<u>(3,728)</u>	<u>(1,382)</u>	<u>(1,962)</u>	<u>(5,594)</u>	<u>(4,455)</u>	<u>(6,557)</u>	<u>-</u>
Net change in total OPEB Liability	38,721	(3,732)	(132,479)	41,778	19,488	(1,282)	-
Total OPEB Liability - beginning	<u>63,218</u>	<u>66,950</u>	<u>199,429</u>	<u>157,651</u>	<u>138,163</u>	<u>139,445</u>	<u>-</u>
Total OPEB Liability - ending	<u>\$ 101,939</u>	<u>\$ 63,218</u>	<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	\$ 1,077,078	\$ 1,033,963	\$ 1,003,847	\$ 989,952	\$ 956,475	\$ 1,036,539	\$ 1,011,258
Total OPEB Liability as a percentage of covered-employee payroll	9.46%	6.11%	6.67%	20.15%	16.48%	13.33%	13.79%

Change in Assumption:

The discount rate was changed from 3.54 percent as of June 30, 2022, to 3.65 percent as of June 30, 2023.

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.

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.

Other Special Revenue Fund

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

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.

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.

Certificates of Participation (COPs) Capital Fund

To account for construction projects and equipment purchases financed by the sale of certificates of participation.

Other Capital Projects Fund

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023
 (amounts expressed in thousands)

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
	FOOD SERVICE	OTHER SPECIAL REVENUE	ESSER	SBE/COBI BONDS	BUSES & EQUIPMENT	COPS
ASSETS						
Cash, Cash Equivalents, and Investments	\$ 45,637	\$ 495	\$ 798	\$ 87	\$ 3,269	\$ 129,316
Due from Other Governments or Agencies	1,929	23,647	19,131	-	-	-
Inventories	4,565	-	-	-	-	-
Other Assets	-	52	-	-	-	-
TOTAL ASSETS	<u>\$ 52,131</u>	<u>\$ 24,194</u>	<u>\$ 19,929</u>	<u>\$ 87</u>	<u>\$ 3,269</u>	<u>\$ 129,316</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts and Contracts Payable	6,279	5,128	7,208	-	-	24
Accrued Payroll and Payroll Deductions	1,600	6,998	3,721	-	-	-
Due to Other Funds	-	9,000	9,000	-	-	-
Retainage Payable on Contracts	-	-	-	-	-	-
Unearned Revenue	-	2,976	-	-	-	-
TOTAL LIABILITIES	<u>7,879</u>	<u>24,102</u>	<u>19,929</u>	<u>-</u>	<u>-</u>	<u>24</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	4,565	-	-	-	-	-
Restricted	39,687	-	-	87	3,269	129,292
Committed	-	92	-	-	-	-
Assigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>44,252</u>	<u>92</u>	<u>-</u>	<u>87</u>	<u>3,269</u>	<u>129,292</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 52,131</u>	<u>\$ 24,194</u>	<u>\$ 19,929</u>	<u>\$ 87</u>	<u>\$ 3,269</u>	<u>\$ 129,316</u>

CAPITAL PROJECTS FUNDS

ARRA QSCB	PECO	CO & DS	BUSES & EQUIPMENT	COPS	OTHER CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ 50,159	\$ 45	\$ 1	\$ 24	\$ 129,943	\$ 11,898	\$ 371,672
-	-	10	-	-	4,525	49,242
-	-	-	-	-	-	4,565
-	-	-	-	-	-	52
<u>\$ 50,159</u>	<u>\$ 45</u>	<u>\$ 11</u>	<u>\$ 24</u>	<u>\$ 129,943</u>	<u>\$ 16,423</u>	<u>\$ 425,531</u>
-	45	-	-	24,418	364	43,466
-	-	-	-	-	177	12,496
-	-	-	-	-	-	18,000
-	-	-	24	5,530	30	5,584
-	-	-	-	-	-	2,976
<u>-</u>	<u>45</u>	<u>-</u>	<u>24</u>	<u>29,948</u>	<u>571</u>	<u>82,522</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,781</u>	<u>1,781</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,781</u>	<u>1,781</u>
-	-	-	-	-	-	4,565
50,159	-	11	-	99,995	10,621	333,121
-	-	-	-	-	-	92
-	-	-	-	-	3,450	3,450
<u>50,159</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>99,995</u>	<u>14,071</u>	<u>341,228</u>
<u>\$ 50,159</u>	<u>\$ 45</u>	<u>\$ 11</u>	<u>\$ 24</u>	<u>\$ 129,943</u>	<u>\$ 16,423</u>	<u>\$ 425,531</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, 2023
(amounts expressed in thousands)

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
	FOOD SERVICE	OTHER SPECIAL REVENUE	ESSER	SBE/COBI BONDS	BUSES & EQUIPMENT	COPS
REVENUES						
Local Sources:						
Food Service Sales	\$ 3,652	\$ -	\$ -	\$ -	\$ -	\$ -
Impact fees	-	-	-	-	-	-
Interest Income	1,683	-	-	-	-	492
Local Grants and Other	718	5,435	-	-	-	-
Total Local Sources	6,053	5,435	-	-	-	492
State Sources:						
Capital Outlay and Debt Service	-	-	-	1,141	-	-
Food Service	1,011	-	-	-	-	-
Charter School Capital Outlay	-	-	-	-	-	-
State Grants and Entitlements	24	1,698	-	-	-	-
Total State Sources	1,035	1,698	-	1,141	-	-
Federal Sources:						
Federal Grants and Entitlements	8,898	148,009	158,430	-	-	-
National School Lunch Act	102,870	-	-	-	-	-
Total Federal Sources	111,768	148,009	158,430	-	-	-
TOTAL REVENUES	118,856	155,142	158,430	1,141	-	492
EXPENDITURES						
Current:						
Instruction	-	87,665	106,613	-	-	-
Instructional Support Services	-	58,247	15,149	-	-	-
General Administration	-	3,633	10,648	-	-	-
School Administration	-	60	12,676	-	-	-
Facilities Acquisition and Construction	-	-	-	-	-	-
Fiscal Services	7	127	96	-	-	-
Food Services	121,586	14	-	-	-	-
Central Services	-	514	847	-	-	-
Student Transportation Services	-	1,105	1,648	-	-	-
Operation of Plant	-	20	4,719	-	-	-
Maintenance of Plant	-	290	2,144	-	-	-
Administrative Technology Services	-	-	21	-	-	-
Community Services	-	1,925	51	-	-	-
Total Current Expenditures	121,593	153,600	154,612	-	-	-

CAPITAL PROJECTS FUNDS

ARRA QSCE	PECO	CO & DS	BUSES & EQUIPMENT	COPS	OTHER CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,652
-	-	-	-	-	34,225	34,225
1,525	-	-	-	5,031	79	8,810
-	-	-	-	-	9,623	15,776
<u>1,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,031</u>	<u>43,927</u>	<u>62,463</u>
-	-	6,483	-	-	-	7,624
-	-	-	-	-	-	1,011
-	12,151	-	-	-	-	12,151
-	-	-	-	-	2,609	4,331
<u>-</u>	<u>12,151</u>	<u>6,483</u>	<u>-</u>	<u>-</u>	<u>2,609</u>	<u>25,117</u>
4,968	-	-	-	-	-	320,305
-	-	-	-	-	-	102,870
<u>4,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,175</u>
<u>6,493</u>	<u>12,151</u>	<u>6,483</u>	<u>-</u>	<u>5,031</u>	<u>46,536</u>	<u>510,755</u>
-	-	-	-	-	-	194,278
-	-	-	-	-	-	73,396
-	-	-	-	-	-	14,281
-	-	-	-	-	-	12,736
-	-	-	-	45,110	2,980	48,090
-	-	-	-	-	-	230
-	-	-	-	-	-	121,600
-	-	-	-	-	-	1,361
-	-	-	-	-	-	2,753
-	-	-	-	-	-	4,739
-	-	-	-	-	-	2,434
-	-	-	-	-	-	21
-	-	-	-	-	-	1,976
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,110</u>	<u>2,980</u>	<u>477,895</u>

(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, 2023
(amounts expressed in thousands)

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
	FOOD SERVICE	OTHER SPECIAL REVENUE	ESSER	SBE/COBI BONDS	BUSES & EQUIPMENT	COPS
Capital outlay	2,769	1,407	3,818	-	-	-
Debt Service:						
Retirement of Principal	-	-	-	959	6,294	81,330
Interest	-	-	-	191	244	60,505
Fiscal Charges	-	-	-	-	-	106
TOTAL EXPENDITURES	<u>124,362</u>	<u>155,007</u>	<u>158,430</u>	<u>1,150</u>	<u>6,538</u>	<u>141,941</u>
EXCESS (DEFICIENCY) OF REVENUES						
OVER (UNDER) EXPENDITURES	<u>(5,506)</u>	<u>135</u>	<u>-</u>	<u>(9)</u>	<u>(6,538)</u>	<u>(141,449)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	76	-	-	-	6,538	159,566
Transfers Out	-	(76)	-	-	-	-
Issuance of Long-Term and Refunded Debt	-	-	-	-	-	-
Net Premium (Discount) from Issuance of Long-Term and Refunded Debt	-	-	-	-	-	-
Proceeds of loss recoveries	-	-	-	-	-	-
Sale of capital assets and other	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>76</u>	<u>(76)</u>	<u>-</u>	<u>-</u>	<u>6,538</u>	<u>159,566</u>
NET CHANGE IN FUND BALANCES	(5,430)	59	-	(9)	-	18,117
FUND BALANCES, JULY 1, 2022	<u>49,682</u>	<u>33</u>	<u>-</u>	<u>96</u>	<u>3,269</u>	<u>111,175</u>
FUND BALANCES, JUNE 30, 2023	<u>\$ 44,252</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 3,269</u>	<u>\$ 129,292</u>

CAPITAL PROJECTS FUNDS

ARRA QSCE	PECO	CO & DS	BUSES & EQUIPMENT	COPS	OTHER CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
-	-	-	-	129,338	163	137,495
-	-	-	-	-	-	88,583
3,654	-	-	-	-	-	64,594
8	-	9	-	890	-	1,013
<u>3,662</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>175,338</u>	<u>3,143</u>	<u>769,580</u>
<u>2,831</u>	<u>12,151</u>	<u>6,474</u>	<u>-</u>	<u>(170,307)</u>	<u>43,393</u>	<u>(258,825)</u>
8,662	-	-	-	-	10	174,852
-	(12,151)	(6,463)	-	-	(34,225)	(52,915)
-	-	-	-	185,900	-	185,900
-	-	-	-	21,045	-	21,045
-	-	-	-	-	27	27
-	-	-	-	-	135	135
<u>8,662</u>	<u>(12,151)</u>	<u>(6,463)</u>	<u>-</u>	<u>206,945</u>	<u>(34,053)</u>	<u>329,044</u>
11,493	-	11	-	36,638	9,340	70,219
<u>38,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,357</u>	<u>4,731</u>	<u>271,009</u>
<u>\$ 50,159</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 99,995</u>	<u>\$ 14,071</u>	<u>\$ 341,228</u>

(Concluded)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023
(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	\$ 107,405	\$ 155,473	\$ 49,866	\$ 312,744
Due from Other Agencies	6,705	-	-	6,705
Total Current Assets	114,110	155,473	49,866	319,449
Noncurrent Assets:				
Restricted Cash	1,904	638	-	2,542
Total Noncurrent Assets	1,904	638	-	2,542
TOTAL ASSETS	116,014	156,111	49,866	321,991
DEFERRED OUTFLOWS OF RESOURCES				
Pension	304	254	13,477	14,035
Other Postemployment Benefits	46	35	922	1,003
TOTAL DEFERRED OUTFLOWS OF RESOURCES	350	289	14,399	15,038
LIABILITIES				
Current Liabilities:				
Accounts and Contracts Payable	713	400	158	1,271
Accrued Payroll and Payroll Deductions	45	50	1,986	2,081
Portion Due or Payable within One Year:				
Estimate Unpaid Claims	20,900	7,488	-	28,388
Total Current Liabilities	21,658	7,938	2,144	31,740
Noncurrent Liabilities:				
Portion Due or Payable after One Year:				
Liability for Compensated Absences	186	153	2,411	2,750
Estimate Unpaid Claims	-	33,667	-	33,667
Other Postemployment Benefits	61	46	1,221	1,328
Net Pension Liability	859	758	49,877	51,494
Total Noncurrent Liabilities	1,106	34,624	53,509	89,239
TOTAL LIABILITIES	22,764	42,562	55,653	120,979
DEFERRED INFLOWS OF RESOURCES				
Pension	18	8	1,744	1,770
Other Postemployment Benefits	34	25	671	730
TOTAL DEFERRED INFLOWS OF RESOURCES	52	33	2,415	2,500
NET POSITION				
Unrestricted	\$ 93,548	\$ 113,805	\$ 6,197	\$ 213,550

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITIONS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

	HEALTH INSURANCE FUND	WORKERS COMP & CLAIMS INSURANCE FUND	SCHOOL POLICE FUND	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES				
Premium Revenue	\$ 190,080	\$ 40,775	\$ -	\$ 230,855
Charges for Services	-	-	36,177	36,177
Pharmacy Rebates	25,396	-	-	25,396
Other Operating Revenue	665	330	560	1,555
TOTAL REVENUES	<u>216,141</u>	<u>41,105</u>	<u>36,737</u>	<u>293,983</u>
OPERATING EXPENSES				
Salaries	829	795	20,811	22,435
Benefits	287	265	9,955	10,507
Purchased Services	2,452	970	7,674	11,096
Energy	-	-	513	513
Supplies	20	17	391	428
Capital Outlay	-	106	142	248
Claims and Other Expenses	245,795	13,083	26	258,904
TOTAL OPERATING EXPENSES	<u>249,383</u>	<u>15,236</u>	<u>39,512</u>	<u>304,131</u>
OPERATING INCOME/(LOSS)	(33,242)	25,869	(2,775)	(10,148)
NONOPERATING REVENUES				
Interest and Other Income	3,744	4,602	1,790	10,136
TOTAL NONOPERATING REVENUES	<u>3,744</u>	<u>4,602</u>	<u>1,790</u>	<u>10,136</u>
CHANGE IN NET POSITION	(29,498)	30,471	(985)	(12)
NET POSITION - Beginning of Year	<u>123,046</u>	<u>83,334</u>	<u>7,182</u>	<u>213,562</u>
NET POSITION - End of Year	<u>\$ 93,548</u>	<u>\$ 113,805</u>	<u>\$ 6,197</u>	<u>\$ 213,550</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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	\$ 190,080	\$ 40,775	\$ 36,177	\$ 267,032
Cash Payments for Claims and Administration	(246,346)	(15,393)	(7,646)	(269,385)
Cash Receipts for Pharmacy Rebates	25,396	-	-	25,396
Cash Payments for Salaries and Benefits	(1,099)	(1,002)	(28,946)	(31,047)
Other Receipts and Expenses	(803)	207	(486)	(1,082)
Net Cash Provided (Used) by Operating Activities	<u>(32,772)</u>	<u>24,587</u>	<u>(901)</u>	<u>(9,086)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Earnings on Investments	3,744	4,602	1,790	10,136
Net Cash Provided by Investing Activities	<u>3,744</u>	<u>4,602</u>	<u>1,790</u>	<u>10,136</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(29,028)	29,189	889	1,050
Cash and Cash Equivalents, Beginning of Year*	<u>138,337</u>	<u>126,922</u>	<u>48,977</u>	<u>314,236</u>
Cash and Cash Equivalents, End of Year*	<u>\$ 109,309</u>	<u>\$ 156,111</u>	<u>\$ 49,866</u>	<u>\$ 315,286</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (33,242)	\$ 25,869	\$ (2,775)	\$ (10,148)
Adjustments to Reconcile Operating Income (Loss) 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	(1,448)	-	-	(1,448)
Increase (Decrease) in Accounts Payable	201	(378)	54	(123)
Increase (Decrease) in Payroll and Payroll Deductions	(11)	(10)	551	530
Increase (Decrease) in Compensated Absences	8	43	374	425
Increase (Decrease) in Net Pension Liability	439	440	23,071	23,950
Increase (Decrease) in OPEB Liability	28	27	546	601
Increase (Decrease) in Deferred Inflows	(398)	(394)	(21,001)	(21,793)
(Increase) Decrease in Deferred Outflows	(49)	(48)	(1,721)	(1,818)
Increase (Decrease) in Estimated Unpaid Claims - Self-Insurance Program	1,700	(962)	-	738
Total Adjustments	<u>470</u>	<u>(1,282)</u>	<u>1,874</u>	<u>1,062</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (32,772)</u>	<u>\$ 24,587</u>	<u>\$ (901)</u>	<u>\$ (9,086)</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, 2023
(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	\$ 413,673	\$ 414,076	\$ 414,076	\$ 403	\$ -
Interest Income, Local Grants, and Other	1,000	17,818	17,818	16,818	-
TOTAL REVENUES	<u>414,673</u>	<u>431,894</u>	<u>431,894</u>	<u>17,221</u>	<u>-</u>
EXPENDITURES					
Facilities Acquisitions and Construction:					
Buildings and Fixed Equipment	15,767	3,996	982	11,771	3,014
Furniture, Fixtures, and Equipment	75,770	79,701	34,066	(3,931)	45,635
Motor Vehicles (Including Buses)	7,762	7,762	2,526	-	5,236
Land	1,161	1,161	-	-	1,161
Improvements Other Than Buildings	23,247	27,978	5,393	(4,731)	22,585
Remodeling and Renovations	322,598	359,482	47,163	(36,884)	312,319
Computer Software	2,392	2,275	388	117	1,887
TOTAL EXPENDITURES	<u>448,697</u>	<u>482,355</u>	<u>90,518</u>	<u>(33,658)</u>	<u>391,837</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(34,024)</u>	<u>(50,461)</u>	<u>341,376</u>	<u>(16,437)</u>	<u>391,837</u>
OTHER FINANCING SOURCES (USES)					
Transfers to General Fund	(124,944)	(107,876)	(107,876)	17,068	-
Transfers to Debt Service	(139,911)	(140,542)	(140,542)	(631)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(264,855)</u>	<u>(248,418)</u>	<u>(248,418)</u>	<u>16,437</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (298,879)</u>	<u>\$ (298,879)</u>	<u>92,958</u>	<u>\$ -</u>	<u>\$ 391,837</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>298,879</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			391,837		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			<u>36,937</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 428,774</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, 2023
(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	\$ 197,037	\$ 204,794	\$ 206,140	\$ 7,757	\$ 1,346
Interest Income, Local Grants, and Other	-	13,384	13,384	13,384	-
TOTAL REVENUES	<u>197,037</u>	<u>218,178</u>	<u>219,524</u>	<u>21,141</u>	<u>1,346</u>
EXPENDITURES					
Facilities Acquisitions and Construction:					
Buildings and Fixed Equipment	28,556	27,835	98	721	27,737
Furniture, Fixtures, and Equipment	46,707	51,316	31,409	(4,609)	19,907
Motor Vehicles (Including Buses)	22,310	22,257	18,546	53	3,711
Improvements Other Than Buildings	12,284	15,732	7,365	(3,448)	8,367
Remodeling and Renovations	415,902	431,674	208,185	(15,772)	223,489
Debt service:					
Fiscal Charges	-	86	82	(86)	4
TOTAL EXPENDITURES	<u>525,759</u>	<u>548,900</u>	<u>265,685</u>	<u>(23,141)</u>	<u>283,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(328,722)</u>	<u>(330,722)</u>	<u>(46,161)</u>	<u>(2,000)</u>	<u>284,561</u>
OTHER FINANCING SOURCES (USES)					
Transfers to debt service	(2,000)	-	-	2,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (330,722)</u>	<u>\$ (330,722)</u>	<u>(46,161)</u>	<u>\$ -</u>	<u>\$ 284,561</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>333,134</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			286,973		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			<u>144,032</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 431,005</u>		

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, 2023
(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	\$ 1,683	\$ 1,683	\$ 1,643	\$ -
Food Service Sales	17,545	3,652	3,652	(13,893)	-
Miscellaneous Local Sources	176	718	718	542	-
Total Local Sources	<u>17,761</u>	<u>6,053</u>	<u>6,053</u>	<u>(11,708)</u>	<u>-</u>
State Sources:					
School Breakfast/Lunch Supplement	1,060	1,035	1,035	(25)	-
Total State Sources	<u>1,060</u>	<u>1,035</u>	<u>1,035</u>	<u>(25)</u>	<u>-</u>
Federal Sources:					
Federal Grants and Entitlements	8,100	8,898	8,898	798	-
National School Lunch Act	86,240	102,870	102,870	16,630	-
Total Federal Sources	<u>94,340</u>	<u>111,768</u>	<u>111,768</u>	<u>17,428</u>	<u>-</u>
TOTAL REVENUES	<u>113,161</u>	<u>118,856</u>	<u>118,856</u>	<u>5,695</u>	<u>-</u>
EXPENDITURES					
Food Service:					
Salaries	32,157	36,935	36,935	(4,778)	-
Employee Benefits	17,301	15,162	15,162	2,139	-
Purchased Services	8,109	9,470	10,771	(1,361)	(1,301)
Energy Services	2,596	2,926	2,926	(330)	-
Materials and Supplies	48,912	54,053	54,229	(5,141)	(176)
Capital Outlay	2,620	3,295	3,488	(675)	(193)
Other Expenses	3,031	2,521	2,535	510	(14)
TOTAL EXPENDITURES	<u>114,726</u>	<u>124,362</u>	<u>126,046</u>	<u>(9,636)</u>	<u>(1,684) *</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,565)</u>	<u>(5,506)</u>	<u>(7,190)</u>	<u>(3,941)</u>	<u>(1,684)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other special revenue	-	76	76	76	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,565)</u>	<u>\$ (5,430)</u>	<u>(7,114)</u>	<u>\$ (3,865)</u>	<u>\$ (1,684)</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			49,682		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			42,568		
Adjustment To Conform With GAAP:					
Elimination of Encumbrances			1,684		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 44,252</u>		

* Actual expenditures include encumbrances at year-end that are not included in the Final Budget amount.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local Sources	\$ 5,614	\$ 9,480	\$ 5,435	\$ 3,866	\$ (4,045)
State Sources	2,426	4,615	1,698	2,189	(2,917)
Federal Sources	146,220	195,540	148,009	49,320	(47,531)
TOTAL REVENUES	<u>154,260</u>	<u>209,635</u>	<u>155,142</u>	<u>55,375</u>	<u>(54,493)</u>
EXPENDITURES					
Instruction	83,699	118,541	89,432	(34,842)	29,109
Instructional Support Services	63,985	78,782	58,536	(14,797)	20,246
General Administration	3,636	4,973	3,633	(1,337)	1,340
School Administration	154	90	60	64	30
Facilities Acquisition and Construction	30	30	-	-	30
Fiscal Services	28	133	127	(105)	6
Food Service	164	183	14	(19)	169
Central Services	575	794	535	(219)	259
Student Transportation Services	568	2,278	1,108	(1,710)	1,170
Operation of Plant	23	43	20	(20)	23
Maintenance of Plant	11	575	290	(564)	285
Community Services	1,420	3,077	1,986	(1,657)	1,091
TOTAL EXPENDITURES	<u>154,293</u>	<u>209,499</u>	<u>155,741</u>	<u>(55,206)</u>	<u>53,758</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33)</u>	<u>136</u>	<u>(599)</u>	<u>169</u>	<u>(735)</u>
OTHER FINANCING SOURCES (USES)					
Transfer out	-	(76)	(76)	(76)	-
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(76)</u>	<u>(76)</u>	<u>(76)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (33)</u>	<u>\$ 60</u>	<u>(675)</u>	<u>\$ 93</u>	<u>\$ (735)</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>33</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			(642)		
Adjustment To Conform With GAAP:					
Elimination of Encumbrances			<u>734</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 92</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, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Federal Sources	\$ 344,042	\$ 364,943	\$ 158,430	\$ 20,901	\$ (206,513)
TOTAL REVENUES	<u>344,042</u>	<u>364,943</u>	<u>158,430</u>	<u>20,901</u>	<u>(206,513)</u>
EXPENDITURES					
Instruction	303,488	243,045	115,958	60,443	127,087
Instructional Support Services	23,945	49,084	15,574	(25,139)	33,510
General Administration	7,621	21,132	10,648	(13,511)	10,484
School Administration	633	12,774	12,676	(12,141)	98
Fiscal Services	-	913	96	(913)	817
Central Services	-	3,353	1,474	(3,353)	1,879
Student Transportation Services	279	2,961	1,648	(2,682)	1,313
Operation of Plant	8,046	28,215	6,186	(20,169)	22,029
Maintenance of Plant	8	3,224	2,191	(3,216)	1,033
Administrative Technology Services	20	31	21	(11)	10
Community Services	2	211	211	(209)	-
TOTAL EXPENDITURES	<u>344,042</u>	<u>364,943</u>	<u>166,683</u>	<u>(20,901)</u>	<u>198,260</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(8,253)</u>	<u>-</u>	<u>(8,253)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(8,253)</u>	<u>\$ -</u>	<u>\$ (8,253)</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>-</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			(8,253)		
Adjustment To Conform With GAAP:					
Elimination of Encumbrances			<u>8,253</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ -</u>		

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, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
State Sources:					
CO & DS Withheld for SBE/COBI Bonds	\$ 2,010	\$ 1,141	\$ 1,141	\$ (869)	\$ -
TOTAL REVENUES	<u>2,010</u>	<u>1,141</u>	<u>1,141</u>	<u>(869)</u>	<u>-</u>
EXPENDITURES					
Debt Service:					
Retirement of Principal	1,543	959	959	584	-
Interest	494	191	191	303	-
Fiscal Charges	2	-	-	2	-
TOTAL EXPENDITURES	<u>2,039</u>	<u>1,150</u>	<u>1,150</u>	<u>889</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29)</u>	<u>(9)</u>	<u>(9)</u>	<u>20</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (29)</u>	<u>\$ (9)</u>	<u>(9)</u>	<u>\$ 20</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>96</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			87		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 87</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, 2023
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Debt Service:					
Retirement of Principal	6,294	6,294	6,294	-	-
Interest	244	244	244	-	-
TOTAL EXPENDITURES	6,538	6,538	6,538	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,538)	(6,538)	(6,538)	-	-
OTHER FINANCING SOURCES					
Transfers from Capital Projects	6,538	6,538	6,538	-	-
TOTAL OTHER FINANCING SOURCES	6,538	6,538	6,538	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -	\$ -
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			3,269		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			3,269		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			-		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			\$ 3,269		

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, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local Sources:					
Interest Income, Local Grants, and Other	\$ -	\$ 491	\$ 492	\$ 491	\$ 1
TOTAL REVENUES	<u>-</u>	<u>491</u>	<u>492</u>	<u>491</u>	<u>1</u>
EXPENDITURES					
Debt Service:					
Retirement of Principal	109,287	81,330	81,330	27,957	-
Interest	60,000	60,505	60,505	(505)	-
Fiscal Charges	249	106	106	143	-
TOTAL EXPENDITURES	<u>169,536</u>	<u>141,941</u>	<u>141,941</u>	<u>27,595</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(169,536)</u>	<u>(141,450)</u>	<u>(141,449)</u>	<u>28,086</u>	<u>1</u>
OTHER FINANCING SOURCES					
Transfers from Capital Projects	165,351	159,566	159,566	(5,785)	-
TOTAL OTHER FINANCING SOURCES	<u>165,351</u>	<u>159,566</u>	<u>159,566</u>	<u>(5,785)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,185)</u>	<u>\$ 18,116</u>	<u>18,117</u>	<u>\$ 22,301</u>	<u>\$ 1</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>111,175</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			129,292		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 129,292</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, 2023
(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	\$ -	\$ 1,525	\$ 1,525	\$ 1,525	\$ -
Federal Sources:					
Federal Grants and Entitlements	3,305	4,968	4,968	1,663	-
TOTAL REVENUES	3,305	6,493	6,493	3,188	-
EXPENDITURES					
Debt Service:					
Interest	3,654	3,654	3,654	-	-
Fiscal Charges	6	8	8	(2)	-
TOTAL EXPENDITURES	3,660	3,662	3,662	(2)	-
EXCESS OF REVENUES OVER EXPENDITURES	(355)	2,831	2,831	3,186	-
OTHER FINANCING SOURCES					
Transfers from Capital Projects	10,022	8,662	8,662	(1,360)	-
TOTAL OTHER FINANCING SOURCES	10,022	8,662	8,662	(1,360)	-
NET CHANGE IN FUND BALANCE	\$ 9,667	\$ 11,493	11,493	\$ 1,826	\$ -
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			38,666		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			50,159		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			-		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			\$ 50,159		

**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, 2023
(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	\$ 11,306	\$ 12,151	\$ 12,151	\$ 845	\$ -
TOTAL REVENUES	<u>11,306</u>	<u>12,151</u>	<u>12,151</u>	<u>845</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>11,306</u>	<u>12,151</u>	<u>12,151</u>	<u>845</u>	<u>-</u>
OTHER FINANCING USES					
Transfer to General Fund	(11,306)	(12,151)	(12,151)	(845)	-
TOTAL OTHER FINANCING USES	<u>(11,306)</u>	<u>(12,151)</u>	<u>(12,151)</u>	<u>(845)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>-</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			<u>-</u>		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2023 (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, 2023
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
State Sources:					
Capital Outlay and Debt Service	\$ 5,646	\$ 6,483	\$ 6,483	\$ 837	\$ -
TOTAL REVENUES	<u>5,646</u>	<u>6,483</u>	<u>6,483</u>	<u>837</u>	<u>-</u>
EXPENDITURES					
Facilities acquisitions and construction:					
Remodeling and renovations	-	11	-	(11)	11
Debt Service:					
Fiscal Charges	-	9	9	(9)	-
TOTAL EXPENDITURES	<u>-</u>	<u>20</u>	<u>9</u>	<u>(20)</u>	<u>11</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,646</u>	<u>6,463</u>	<u>6,474</u>	<u>817</u>	<u>11</u>
OTHER FINANCING USES					
Transfers to General Fund	(5,646)	(6,463)	(6,463)	(817)	-
TOTAL OTHER FINANCING USES	<u>(5,646)</u>	<u>(6,463)</u>	<u>(6,463)</u>	<u>(817)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>11</u>	<u>\$ -</u>	<u>\$ 11</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>-</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			11		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 11</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, 2023
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local Sources:					
Interest Income, Local Grants, and Other	\$ -	\$ 5,031	\$ 5,031	\$ 5,031	\$ -
TOTAL REVENUES	<u>-</u>	<u>5,031</u>	<u>5,031</u>	<u>5,031</u>	<u>-</u>
EXPENDITURES					
Facilities Acquisitions and Construction:					
Library Books	-	154	151	(154)	3
Buildings and Fixed Equipment	287,061	289,559	201,851	(2,498)	87,708
Furniture, Fixtures, and Equipment	14,155	23,996	16,614	(9,841)	7,382
Motor Vehicles (Including Buses)	26	166	166	(140)	-
Improvements other than buildings	-	220	-	(220)	220
Remodeling and Renovations	123,030	130,002	76,370	(6,972)	53,632
Debt Service:					
Fiscal Charges	-	890	890	(890)	-
TOTAL EXPENDITURES	<u>424,272</u>	<u>444,987</u>	<u>296,042</u>	<u>(20,715)</u>	<u>148,945</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(424,272)</u>	<u>(439,956)</u>	<u>(291,011)</u>	<u>(15,684)</u>	<u>148,945</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Long-Term Debt	360,915	355,554	185,900	(5,361)	(169,654)
Premium on Issuance of Long-Term Debt	-	21,045	21,045	21,045	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>360,915</u>	<u>376,599</u>	<u>206,945</u>	<u>15,684</u>	<u>(169,654)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (63,357)</u>	<u>\$ (63,357)</u>	<u>(84,066)</u>	<u>\$ -</u>	<u>\$ (20,709)</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>63,357</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			(20,709)		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			<u>120,704</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 99,995</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, 2023
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local Sources:					
Impact fees	\$ 40,000	\$ 34,225	\$ 34,225	\$ (5,775)	\$ -
Interest Income and Other	-	79	79	79	-
Miscellaneous Local Sources	214	9,622	9,623	9,408	1
Total Local Sources	<u>40,214</u>	<u>43,926</u>	<u>43,927</u>	<u>3,712</u>	<u>1</u>
State Sources:					
State Grants and Entitlements	-	4,141	2,609	4,141	(1,532)
Total State Sources	<u>-</u>	<u>4,141</u>	<u>2,609</u>	<u>4,141</u>	<u>(1,532)</u>
Federal Sources:					
Federal Grants and Entitlements	788	788	-	-	(788)
Total Federal Sources	<u>788</u>	<u>788</u>	<u>-</u>	<u>-</u>	<u>(788)</u>
TOTAL REVENUES	<u>41,002</u>	<u>48,855</u>	<u>46,536</u>	<u>7,853</u>	<u>(2,319)</u>
EXPENDITURES					
Payments to Charter Schools	226	565	185	(339)	380
Facilities Acquisitions and Construction:					
Buildings and Fixed Equipment	793	1,470	480	(677)	990
Furniture, fixtures, and Equipment	124	2,542	2,422	(2,418)	120
Motor Vehicles (Including Buses)	1,675	1,975	138	(300)	1,837
Land	430	430	26	-	404
Improvements Other Than Buildings	1,823	2,423	714	(600)	1,709
Remodeling and Renovations	662	10,128	247	(9,466)	9,881
TOTAL EXPENDITURES	<u>5,733</u>	<u>19,533</u>	<u>4,212</u>	<u>(13,800)</u>	<u>15,321</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>35,269</u>	<u>29,322</u>	<u>42,324</u>	<u>(5,947)</u>	<u>13,002</u>
OTHER FINANCING SOURCES (USES)					
Transfers from General Fund	-	10	10	10	-
Transfers to debt service	(40,000)	(34,225)	(34,225)	5,775	-
Proceeds of loss recoveries	-	27	27	27	-
Sale of Capital Assets and Other	-	135	135	135	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(40,000)</u>	<u>(34,053)</u>	<u>(34,053)</u>	<u>5,947</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,731)</u>	<u>\$ (4,731)</u>	<u>8,271</u>	<u>\$ -</u>	<u>\$ 13,002</u>
FUND BALANCE, JULY 1, 2022 (GAAP BASIS)			<u>4,731</u>		
FUND BALANCE, JUNE 30, 2023 (BUDGETARY BASIS)			13,002		
Adjustments To Conform With GAAP:					
Elimination of Encumbrances			<u>1,069</u>		
FUND BALANCE, JUNE 30, 2023 (GAAP BASIS)			<u>\$ 14,071</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
LONG-TERM LIABILITIES
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
BONDS, NOTES AND LEASES PAYABLE (UNAUDITED)
JUNE 30, 2023
(amounts expressed in thousands)

YEAR ENDED JUNE 30	NOTES AND LOANS PAYABLE		STATE BOARD OF EDUCATION CAPITAL OUTLAY BOND ISSUES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2024	\$ 4,716	\$ 91	\$ 404	\$ 166
2025	1,524	13	424	146
2026	-	-	450	124
2027	-	-	472	102
2028	-	-	493	78
2029-2033	-	-	1,071	81
2034-2038	-	-	-	-
2039-2041	-	-	-	-
Total	\$ 6,240	\$ 104	\$ 3,314	\$ 697

OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS CERTIFICATES OF PARTICIPATION		TOTAL		TOTAL PRINCIPAL AND INTEREST
PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
\$ 97,455	\$ 65,031	\$ 102,575	\$ 65,288	\$ 167,863
102,090	60,240	104,038	60,399	164,437
172,585	53,439	173,035	53,563	226,598
117,390	46,259	117,862	46,361	164,223
123,055	40,454	123,548	40,532	164,080
483,670	122,282	484,741	122,363	607,104
153,730	53,843	215,485	46,006	261,491
120,020	9,432	120,020	9,432	129,452
<u>\$ 1,369,995</u>	<u>\$ 450,980</u>	<u>\$ 1,441,304</u>	<u>\$ 443,944</u>	<u>\$ 1,885,248</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
LONG-TERM LIABILITIES
SCHEDULE OF BONDS, NOTES, AND LEASES PAYABLE (UNAUDITED)
JUNE 30, 2023
(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				
2018 Equipment Lease	10/18/2018	\$ 16,072	3.10%	**
2019 Equipment Lease	09/16/2019	14,700	1.72%	**
		<u>\$ 30,772</u>		
STATE BOARD OF EDUCATION CAPITAL OUTLAY BOND ISSUES (COBI):				
COBI 2011-A	12/07/2011	\$ 5,820	-	
COBI 2020-A	01/14/2020	4,918	5.00%	
		<u>\$ 10,738</u>		
OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS:				
Certificates of Participation Series 2010A QSCB	11/15/2010	\$ 67,665	5.40%	*
Certificates of Participation Series 2012A	05/15/2012	20,085	5.00%	
Certificates of Participation Series 2012C	08/09/2012	67,145	-	
Certificates of Participation Series 2014B	06/27/2014	166,010	-	
Certificates of Participation Series 2014C	07/29/2014	33,280	5.00%	**
Certificates of Participation Series 2015A	05/05/2015	106,315	-	**
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%	
Certificates of Participation Series 2022A	05/05/2022	39,610	1.37%	
Certificates of Participation Series 2022B	09/15/2022	185,900	5.00% to 5.25%	
		<u>\$ 1,861,125</u>		

* 2010A QSCB - Average coupon rate before IRS subsidy is 5.4%. Net interest rate with IRS subsidy is 0.5058%

**Outstanding direct placement debt

FINAL MATURITY DATE	DEBT OUTSTANDING JUNE 30, 2022	DEBT ISSUED FY 22-23	DEBT MATURED FY 22-23	DEBT OUTSTANDING JUNE 30, 2023
08/01/2023	\$ 5,039	\$ -	\$ 3,334	\$ 1,705
08/01/2024	7,495	-	2,960	4,535
	<u>\$ 12,534</u>	<u>\$ -</u>	<u>\$ 6,294</u>	<u>\$ 6,240</u>
01/01/2023	\$ 565	\$ -	\$ 565	\$ -
01/01/2030	3,708	-	394	3,314
	<u>\$ 4,273</u>	<u>\$ -</u>	<u>\$ 959</u>	<u>\$ 3,314</u>
08/01/2025	\$ 67,665	\$ -	\$ -	\$ 67,665
08/01/2022	1,795	-	1,795	-
08/01/2022	4,565	-	4,565	-
08/01/2025	75,675	-	17,685	57,990
08/01/2031	33,280	-	-	33,280
08/01/2022	9,570	-	9,570	-
08/01/2031	108,270	-	8,605	99,665
08/01/2032	186,100	-	6,105	179,995
08/01/2032	62,970	-	-	62,970
08/01/2027	131,305	-	3,990	127,315
08/01/2028	41,945	-	6,335	35,610
08/01/2027	79,795	-	11,795	68,000
08/01/2028	91,735	-	3,955	87,780
08/01/2029	115,485	-	6,930	108,555
08/01/2034	103,820	-	-	103,820
08/01/2040	101,905	-	-	101,905
08/01/2035	9,935	-	-	9,935
08/01/2029	39,610	-	-	39,610
08/01/2040	-	185,900	-	185,900
	<u>\$ 1,265,425</u>	<u>\$ 185,900</u>	<u>\$ 81,330</u>	<u>\$ 1,369,995</u>



The School District
of Palm Beach County



STATISTICAL SECTION

2023

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.



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>2014*</u>	<u>2015</u>	<u>2016</u>	<u>2017**</u>
Net Position components				
Primary Government				
Net Investment in capital assets	\$ 1,781,012	\$ 1,816,220	\$ 1,760,930	\$ 1,756,568
Restricted	257,756	207,159	237,692	320,003
Unrestricted (deficit)	(775,703)	(742,933)	(688,026)	(721,254)
Total primary government net position	<u>\$ 1,263,065</u>	<u>\$ 1,280,446</u>	<u>\$ 1,310,596</u>	<u>\$ 1,355,317</u>

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

* Restated - Adoption of GASB 68

** Restated - Adoption of GASB 75

TABLE 1

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,777,638	\$ 1,768,987	\$ 1,814,240	\$ 1,829,425	\$ 1,779,388	\$ 1,751,354
449,958	519,938	537,506	690,493	942,019	1,182,727
<u>(739,991)</u>	<u>(738,448)</u>	<u>(818,453)</u>	<u>(752,905)</u>	<u>(614,163)</u>	<u>(625,525)</u>
<u>\$ 1,487,605</u>	<u>\$ 1,550,477</u>	<u>\$ 1,533,293</u>	<u>\$ 1,767,013</u>	<u>\$ 2,107,244</u>	<u>\$ 2,308,556</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Primary Government				
Expenses				
Instruction	\$ 1,047,726	\$ 1,030,417	\$ 1,062,354	\$ 1,154,360
Instructional support services	174,848	168,660	170,617	173,946
Board	6,149	6,606	6,634	7,468
General administration	9,231	9,033	10,089	10,449
School administration	96,911	94,125	97,556	107,027
Facilities acquisition and construction	26,343	20,846	14,750	20,761
Fiscal services	5,881	5,677	6,805	6,853
Food services	74,047	77,063	81,095	89,897
Central services	15,715	14,928	15,646	16,052
Pupil transportation services	47,036	45,795	48,223	54,396
Operation of plant	124,757	123,559	124,526	126,506
Maintenance of plant	67,135	68,083	69,603	73,741
Administrative technology services	6,114	7,022	7,916	7,644
Community services	36,157	36,537	40,980	43,149
Interest on long-term debt	80,122	47,229	90,428	62,739
Unallocated depreciation expense	108,894	108,480	108,978	107,633
Amortization expense	562	1,173	156	109
Total Expenses	<u>1,927,628</u>	<u>1,865,233</u>	<u>1,956,356</u>	<u>2,062,730</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	2,684	2,359	2,335	2,334
Food	14,429	13,506	13,377	13,465
Pupil transportation	931	885	820	709
Community	29,945	31,156	36,961	37,872
Operating grants and contributions	476,357	480,756	491,973	511,816
Capital grants and contributions	14,357	15,585	13,430	22,197
Total Program Revenues	<u>538,703</u>	<u>544,247</u>	<u>558,896</u>	<u>588,393</u>
Net (Expense)/Revenue	<u>\$ (1,388,925)</u>	<u>\$ (1,320,986)</u>	<u>\$ (1,397,460)</u>	<u>\$ (1,474,337)</u>

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

TABLE 2

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	1,197,458	\$ 1,225,972	\$ 1,365,308	\$ 1,332,218	\$ 1,436,600	\$ 1,698,103
	185,883	195,060	227,932	226,620	218,602	252,043
	7,643	8,323	8,849	8,402	8,328	9,817
	13,609	14,484	13,780	17,664	25,750	26,168
	109,988	113,823	121,136	119,520	128,463	147,644
	54,526	133,721	175,394	184,339	144,721	210,093
	7,205	7,511	8,043	7,908	6,720	8,138
	95,977	103,194	93,598	83,603	102,695	122,996
	16,647	18,034	20,483	31,732	37,836	21,742
	59,170	59,704	56,917	49,051	52,510	61,706
	135,988	143,627	184,872	169,575	164,159	186,032
	80,359	81,074	80,343	80,795	86,219	107,452
	7,041	7,183	6,919	6,465	5,375	6,488
	46,737	45,745	39,301	24,288	31,457	45,868
	53,137	53,496	50,970	53,268	54,913	53,322
	107,047	109,908	115,100	123,161	127,978	138,857
	62	-	-	-	-	-
	<u>2,178,477</u>	<u>2,320,859</u>	<u>2,568,945</u>	<u>2,518,609</u>	<u>2,632,326</u>	<u>3,096,469</u>
	2,213	2,410	1,983	1,267	1,812	2,425
	11,815	15,007	11,911	709	3,163	3,881
	1,447	1,319	931	-	1,246	1,984
	37,904	37,942	27,276	16,719	33,130	33,523
	547,857	562,289	556,919	615,896	748,127	734,459
	18,932	22,204	23,005	24,869	22,116	23,905
	<u>620,168</u>	<u>641,171</u>	<u>622,025</u>	<u>659,460</u>	<u>809,594</u>	<u>800,177</u>
\$	<u>(1,558,309)</u>	<u>(1,679,688)</u>	<u>(1,946,920)</u>	<u>(1,859,149)</u>	<u>(1,822,732)</u>	<u>(2,296,292)</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Primary Government				
Net (Expense)/Revenue	\$ (1,388,925)	\$ (1,320,986)	\$ (1,397,460)	\$ (1,474,337)
General Revenue and other				
Changes in Net Position				
Taxes				
Property taxes, levied for general purposes	\$ 809,909	\$ 878,769	\$ 960,468	\$ 959,828
Property taxes, levied for capital projects	202,891	216,293	241,089	258,379
Local sales taxes, levied for capital projects	-	-	-	65,783
Grants and entitlements not restricted to specific purposes	221,228	197,265	180,622	228,152
Investment earnings	2,348	2,299	3,493	6,047
Other	56,186	43,741	41,938	40,947
Transfers	13,000	-	-	-
Total General Revenue and Transfers	<u>\$ 1,305,562</u>	<u>\$ 1,338,367</u>	<u>\$ 1,427,610</u>	<u>\$ 1,559,136</u>
Change in Net Position	<u>\$ (83,363)</u>	<u>\$ 17,381</u>	<u>\$ 30,150</u>	<u>\$ 84,799</u>

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

TABLE 3

	2018	2019	2020	2021	2022	2023
	<u>\$ (1,558,309)</u>	<u>\$ (1,679,688)</u>	<u>\$ (1,946,920)</u>	<u>\$ (1,859,149)</u>	<u>\$ (1,822,732)</u>	<u>\$ (2,296,292)</u>
\$	963,059	\$ 979,948	\$ 1,151,676	\$ 1,177,647	\$ 1,215,227	\$ 1,385,237
	274,218	289,776	305,071	320,725	339,277	414,076
	138,127	145,848	139,910	156,621	193,710	206,140
	260,096	265,547	277,540	357,744	343,473	365,234
	12,991	26,075	21,226	2,776	293	75,392
	42,106	35,366	34,313	77,356	70,983	51,525
	-	-	-	-	-	-
\$	<u>1,690,597</u>	<u>\$ 1,742,560</u>	<u>\$ 1,929,736</u>	<u>\$ 2,092,869</u>	<u>\$ 2,162,963</u>	<u>\$ 2,497,604</u>
\$	<u>132,288</u>	<u>\$ 62,872</u>	<u>\$ (17,184)</u>	<u>\$ 233,720</u>	<u>\$ 340,231</u>	<u>\$ 201,312</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 9,619	\$ 9,016	\$ 6,040	\$ 7,969
Restricted	28,170	28,105	18,255	20,378
Assigned	27,524	30,011	52,955	58,199
Unassigned	46,500	50,000	50,000	52,000
Total General Fund	<u>\$ 111,813</u>	<u>\$ 117,132</u>	<u>\$ 127,250</u>	<u>\$ 138,546</u>
All Other Governmental Funds				
Nonspendable	\$ 2,684	\$ 3,200	\$ 4,168	\$ 5,232
Restricted	237,578	168,124	230,327	290,001
Committed	186	85	37	35
Assigned - Capital Projects Funds	35,490	38,006	28,923	35,703
Total all other governmental funds	<u>\$ 275,938</u>	<u>\$ 209,415</u>	<u>\$ 263,455</u>	<u>\$ 330,971</u>
All Governmental Funds				
Nonspendable	\$ 12,303	\$ 12,216	\$ 10,208	\$ 13,201
Restricted	265,748	196,229	248,582	310,379
Committed	186	85	37	35
Assigned	63,014	68,017	81,878	93,902
Unassigned	46,500	50,000	50,000	52,000
Total all governmental funds	<u>\$ 387,751</u>	<u>\$ 326,547</u>	<u>\$ 390,705</u>	<u>\$ 469,517</u>

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

TABLE 4

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 8,220	\$ 6,359	\$ 4,139	\$ 10,573	\$ 27,817	\$ 6,748
25,476	29,865	39,123	76,839	91,488	118,373
69,531	83,542	103,044	159,470	158,517	182,250
55,000	64,000	64,000	66,000	70,000	75,000
<u>\$ 158,227</u>	<u>\$ 183,766</u>	<u>\$ 210,306</u>	<u>\$ 312,882</u>	<u>\$ 347,822</u>	<u>\$ 382,371</u>
\$ 6,698	\$ 4,229	\$ 5,014	\$ 4,275	\$ 4,505	\$ 4,565
399,884	466,235	569,209	803,327	896,126	1,192,900
22	18	18	18	33	92
41,381	40,560	39,948	2,446	2,358	3,450
<u>\$ 447,985</u>	<u>\$ 511,042</u>	<u>\$ 614,189</u>	<u>\$ 810,066</u>	<u>\$ 903,022</u>	<u>\$ 1,201,007</u>
\$ 14,918	\$ 10,588	\$ 9,153	\$ 14,848	\$ 32,322	\$ 11,313
425,360	496,100	608,332	880,166	987,614	1,311,273
22	18	18	18	33	92
110,912	124,102	142,992	161,916	160,875	185,700
55,000	64,000	64,000	66,000	70,000	75,000
<u>\$ 606,212</u>	<u>\$ 694,808</u>	<u>\$ 824,495</u>	<u>\$ 1,122,948</u>	<u>\$ 1,250,844</u>	<u>\$ 1,583,378</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES:					
Local sources:					
Ad valorem taxes	\$ 1,012,800	\$ 1,095,062	\$ 1,201,557	\$ 1,218,207	\$ 1,237,277
Sales tax	-	-	-	65,783	138,127
Impact fees	-	22,568	7,725	6,948	6,031
Interest income and other	2,405	2,149	3,205	5,398	11,445
School age child care fees	29,945	31,156	36,961	37,872	37,904
Food service sales	14,429	13,506	13,377	13,465	11,815
Local grants and other	38,464	43,710	37,425	40,647	44,446
Total local sources	<u>1,098,043</u>	<u>1,208,151</u>	<u>1,300,250</u>	<u>1,388,320</u>	<u>1,487,045</u>
State sources:					
Florida education finance program	266,681	242,366	232,694	277,399	315,036
Capital outlay and debt service	6,939	7,165	7,762	7,793	7,777
Food service	1,000	1,015	1,013	995	1,005
Public education capital outlay	-	-	-	-	-
Class size reduction	207,018	209,873	212,396	216,754	218,990
Charter School Capital Outlay	-	-	3,088	5,329	-
State grants and entitlements	39,352	43,149	36,701	44,584	58,879
Total state sources	<u>520,990</u>	<u>503,568</u>	<u>493,654</u>	<u>552,854</u>	<u>601,687</u>
Federal sources:					
Federal grants and entitlements	129,305	125,937	122,405	130,052	138,533
National school lunch act	61,818	65,453	69,897	75,187	80,280
Total federal sources	<u>191,123</u>	<u>191,390</u>	<u>192,302</u>	<u>205,239</u>	<u>218,813</u>
TOTAL REVENUES	<u>\$ 1,810,156</u>	<u>\$ 1,903,109</u>	<u>\$ 1,986,206</u>	<u>\$ 2,146,413</u>	<u>\$ 2,307,545</u>

TABLE 5

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,269,724	\$ 1,456,747	\$ 1,498,372	\$ 1,554,504	\$ 1,799,313
145,848	139,910	156,621	193,710	206,140
-	6,447	46,847	-	34,225
22,647	18,141	2,504	765	65,256
37,942	27,276	16,719	30,419	36,235
15,007	11,912	708	3,163	3,881
41,511	39,289	38,007	43,198	57,550
<u>1,532,679</u>	<u>1,699,722</u>	<u>1,759,778</u>	<u>1,825,759</u>	<u>2,202,600</u>
322,660	361,814	398,241	349,379	309,818
7,389	7,740	7,358	7,455	7,738
998	1,003	1,025	1,010	1,011
2,758	-	-	-	-
220,000	222,100	224,383	199,929	201,487
9,672	10,349	10,810	11,306	12,151
61,148	43,830	31,065	82,652	129,732
<u>624,625</u>	<u>646,836</u>	<u>672,882</u>	<u>651,731</u>	<u>661,937</u>
142,286	131,218	239,391	331,256	351,484
80,956	73,453	80,736	127,029	102,870
<u>223,242</u>	<u>204,671</u>	<u>320,127</u>	<u>458,285</u>	<u>454,354</u>
<u>\$ 2,380,546</u>	<u>\$ 2,551,229</u>	<u>\$ 2,752,787</u>	<u>\$ 2,935,775</u>	<u>\$ 3,318,891</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>2014</u>	<u>2015</u>	<u>2016</u>
Expenditures			
Current:			
Instruction	\$ 1,047,481	\$ 1,058,183	\$ 1,086,124
Instructional support services	174,998	172,288	173,694
Board	6,044	6,828	6,798
General administration	9,138	8,998	10,599
School administration	96,411	96,772	99,764
Facilities acquisition and construction	27,181	21,667	15,475
Fiscal services	5,817	5,893	6,671
Food services	73,944	76,781	81,199
Central services	15,408	15,434	16,024
Pupil transportation services	46,976	47,270	49,333
Operation of plant	124,939	126,187	126,268
Maintenance of plant	67,402	69,683	70,455
Administrative technology services	6,238	7,085	8,052
Community services	36,179	37,171	41,681
Total Current Expenditures	<u>1,738,156</u>	<u>1,750,240</u>	<u>1,792,137</u>
Capital outlay	45,102	48,401	25,470
Debt service:			
Retirement of principal	68,350	74,822	63,488
Interest	116,489	73,506	69,300
Fiscal charges	1,510	1,956	523
TOTAL EXPENDITURES	<u>1,969,607</u>	<u>1,948,925</u>	<u>1,950,918</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(159,451)</u>	<u>(45,816)</u>	<u>35,288</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	250,043	237,858	258,742
Transfers out	(237,043)	(237,858)	(258,742)
Loans Incurred	-	-	28,338
Issuance of Debt - Leases	-	-	-
Issuance of Debt - SBITA	-	-	-
Issuance of long-term and refunded debt	295,572	511,045	62,970
long-term and refunded debt	25,748	67,974	8,541
Payments to refunded debt escrow agent	(278,468)	(599,420)	(71,111)
Proceeds of loss recoveries	5,057	117	119
Sale of capital assets and other	103	4,896	13
TOTAL OTHER FINANCING SOURCES (USES)	<u>61,012</u>	<u>(15,388)</u>	<u>28,870</u>
NET CHANGE IN FUND BALANCES	<u>\$ (98,439)</u>	<u>\$ (61,204)</u>	<u>\$ 64,158</u>

TABLE 6

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,148,826	\$ 1,178,208	\$ 1,192,694	\$ 1,301,956	\$ 1,359,122	\$ 1,503,916	\$ 1,673,738
173,548	180,080	188,926	214,303	219,113	230,617	247,024
7,295	7,517	8,316	8,204	7,963	8,735	9,514
10,851	12,659	13,336	13,223	17,203	25,576	25,450
105,370	106,227	109,669	113,365	115,504	136,051	142,158
21,159	31,854	133,712	175,702	186,106	145,649	218,715
6,766	6,959	7,223	7,442	7,769	7,594	7,883
89,931	94,433	102,121	91,174	80,916	104,934	121,757
15,923	16,279	17,219	18,978	31,145	38,934	20,989
53,899	57,932	58,084	53,894	47,618	55,448	60,141
127,098	135,256	141,391	178,224	166,088	170,217	184,907
73,064	79,342	80,090	76,172	80,186	89,549	105,737
7,540	6,834	7,045	6,451	6,316	5,947	6,384
43,128	46,437	45,255	37,821	24,263	32,940	45,336
<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>	<u>2,556,107</u>	<u>2,869,733</u>
25,778	57,035	49,521	117,040	101,770	104,982	170,498
85,883	86,847	87,670	87,722	84,843	84,847	100,954
71,542	115,915	65,726	63,305	62,529	63,780	64,594
231	3,247	269	861	934	423	1,095
<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>2,810,139</u>	<u>3,206,874</u>
<u>78,581</u>	<u>84,484</u>	<u>72,279</u>	<u>(14,608)</u>	<u>153,399</u>	<u>125,636</u>	<u>112,017</u>
238,858	243,059	237,093	257,259	266,979	285,702	301,343
(238,858)	(243,059)	(237,093)	(257,259)	(266,979)	(285,702)	(301,343)
-	-	16,071	14,700	-	-	-
-	-	-	-	-	1,453	91
-	-	-	-	-	-	13,319
-	529,310	-	108,738	111,840	39,610	185,900
-	94,098	-	-	-	-	21,045
-	(571,623)	-	26,440	32,978	(38,995)	-
7	11	-	(5,793)	-	-	27
<u>224</u>	<u>415</u>	<u>246</u>	<u>4</u>	<u>236</u>	<u>192</u>	<u>135</u>
<u>231</u>	<u>52,211</u>	<u>16,317</u>	<u>144,089</u>	<u>145,054</u>	<u>2,260</u>	<u>220,517</u>
<u>\$ 78,812</u>	<u>\$ 136,695</u>	<u>\$ 88,596</u>	<u>\$ 129,481</u>	<u>\$ 298,453</u>	<u>\$ 127,896</u>	<u>\$ 332,534</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
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%
2022	148,627	2,810,139	106,140	2,703,999	5.50%
2023	165,548	3,206,874	183,301	3,023,573	5.48%

(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	ACTUAL VALUE				PERSONAL PROPERTY	TOTAL JUST VALUE	ASSESSED VALUE	EXEMPTIONS	NET TAXABLE ASSESSED VALUATION	% ²	DIRECT TAX RATE
	REAL PROPERTY			OTHER ¹							
	RESIDENTIAL	COMMERCIAL									
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	213,211,751	29,354,974	34,154,257	11,737,168	288,458,150	245,915,530	36,004,651	209,910,879	72.77	7.010	
2022	232,242,563	29,244,869	35,140,573	11,884,074	308,512,079	258,346,096	36,692,302	221,653,794	71.85	6.875	
2023	312,423,701	36,143,761	42,881,080	12,938,963	404,387,505	294,340,558	39,225,763	255,114,795	63.09	6.519	

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

Certain prior year amounts in this table have been revised based on additional information received.



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

<u>FISCAL YEAR</u>	<u>NET TAXABLE ASSESSSED VALUATION</u>	<u>BASE MILLAGE</u>	<u>PROPERTY TAXES LEVIED</u>	<u>DISCOUNTS FOR EARLY PAYMENT</u>	<u>CURRENT TAX COLLECTIONS</u>
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	209,910,879	7.0100	1,471,475	36,215	1,496,062
2022	221,653,794	6.8750	1,523,870	34,482	1,552,416
2023	255,114,795	6.5190	1,663,093	43,163	1,797,711

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

TABLE 9

<u>PRIOR YEAR TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>% OF CURRENT TAX COLLECTED TO PROPERTY TAXES LEVIED</u>	<u>% OF CURRENT TAX COLLECTED PLUS DISCOUNT TO PROPERTY TAXES LEVIED</u>	<u>% OF TOTAL TAX COLLECTED TO PROPERTY TAXES LEVIED</u>	<u>% OF TOTAL TAX COLLECTED PLUS DISCOUNTS TO PROPERTY TAXES LEVIED</u>
\$ 3,747	\$ 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	101.67	104.13	101.83	104.29
2,089	1,554,505	101.87	104.14	102.01	104.27
1,603	1,799,314	108.09	110.69	108.19	110.79



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	DEBT SERVICE	TOTAL
2014	6.0860	1.5000	0.0000	7.5860
2015	6.0940	1.5000	0.0000	7.5940
2016	6.0120	1.5000	0.0000	7.5120
2017	5.5700	1.5000	0.0000	7.0700
2018	5.2690	1.5000	0.0000	6.7690
2019	5.0720	1.5000	0.0000	6.5720
2020	5.6640	1.5000	0.0000	7.1640
2021	5.5100	1.5000	0.0000	7.0100
2022	5.3750	1.5000	0.0000	6.8750
2023	5.0190	1.5000	0.0000	6.5190

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

TABLE 10

OVERLAPPING							SOUTH FLORIDA WATER MGT DIST	TOTAL COUNTY- WIDE
PALM BEACH CNTY				HEALTH CARE DISTRICT	EVER- GLADES CONST.	TOTAL		
GENERAL FUND	DEBT SERVICE	FIND	CHILD SVC					
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
4.7815	0.0334	0.0320	0.6233	0.7261	0.0365	6.2328	0.2207	13.3285
4.7150	0.0289	0.0320	0.5508	0.7261	0.0327	6.0855	0.1974	12.8019



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
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	297,844	1,422,500	950,981
2021	1,156,609	314,866	1,471,475	1,004,819
2022	1,191,389	332,481	1,523,870	1,061,321
2023	1,280,421	382,672	1,663,093	1,203,111

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

TABLE 11

PALM BEACH COUNTY (1)					SOUTH FLORIDA		TOTAL COUNTYWIDE
DEBT SERVICE	F.I.N.D.	CHILD SERVICES	HEALTH CARE DISTRICT	TOTAL	WATER MGMT. DISTRICT		
\$ 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	2,835,776	
7,414	7,120	138,683	161,556	1,376,094	57,227	2,957,190	
7,384	8,183	140,849	185,676	1,545,202	58,840	3,267,136	





**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	SBITA & CAPITAL LEASES				
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	1.12	101	
2021	6,261	18,678	1,487,325	-	1,512,264	1.00	103	
2022	5,006	12,534	1,386,767	1,539	1,405,846	N/A	93	
2023	3,929	6,240	1,490,555	21,738	1,522,462	N/A	99	

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

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



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Limit of bonded indebtedness, 10% of net assessed value of taxable property	\$12,995,978	\$13,921,888	\$15,232,150	\$16,475,621
Total bonded debt	23,956	19,103	15,175	12,647
Less amount available in Debt Service Funds	<u>535</u>	<u>326</u>	<u>307</u>	<u>248</u>
Total amount applicable to debt limit	<u>23,421</u>	<u>18,777</u>	<u>14,868</u>	<u>12,399</u>
Legal debt margin on bonded debt	<u>\$12,972,557</u>	<u>\$13,903,111</u>	<u>\$15,217,282</u>	<u>\$16,463,222</u>
Legal debt margin on bonded debt as a percentage of bonded debt limit	<u>99.82%</u>	<u>99.87%</u>	<u>99.90%</u>	<u>99.92%</u>

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

TABLE 13

2018	2019	2020	2021	2022	2023
\$17,629,145	\$18,733,478	\$19,856,221	\$20,991,088	\$22,165,379	\$25,511,480
10,892	9,381	7,535	6,261	5,006	3,929
220	183	146	118	96	87
10,672	9,198	7,389	6,143	4,910	3,842
<u>\$17,618,473</u>	<u>\$18,724,280</u>	<u>\$19,848,832</u>	<u>\$20,984,945</u>	<u>\$22,160,469</u>	<u>\$25,507,638</u>
<u>99.94%</u>	<u>99.95%</u>	<u>99.96%</u>	<u>99.97%</u>	<u>99.98%</u>	<u>99.98%</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)
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	209,910,879	6,261	118	6,143	0.00%	4
2022	1,515,565	221,653,794	5,006	96	4,910	0.00%	3
2023	1,532,718	255,114,795	3,929	87	3,842	0.00%	3

(1) Source: U.S. Department of Commerce, Bureau of Economic Analysis
Source: Palm Beach County ACFR (2022) and Business Development Snapshot (2022)
(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	\$	1,490,555
Special Obligation (1)		3,929
Notes/Loans Payable		6,240
Obligations under Leases and SBITA		21,738
		21,738

TOTAL DIRECT DEBT 1,522,462

Overlapping Debt: (2)

Palm Beach County - In Thousands		
Total Outstanding Debt	\$	861,764
Estimated Percentage Applicable (3)		3.37%
		3.37%

TOTAL OVERLAPPING DEBT 29,059

TOTAL DIRECT AND OVERLAPPING DEBT \$ 1,551,521

Population of Palm Beach County 1,532,718

Assessed property valuation - In Thousands \$ 404,387,505

Assessed taxable property valuation - In Thousands \$ 255,114,795

DEBT RATIOS:

	PERCENT OF ASSESSED PROPERTY VALUATION	PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION	PER CAPITA (4)
Direct debt	0.38%	0.60%	\$ 993
Overlapping debt	0.01%	0.01%	\$ 19
Direct and overlapping debt	0.38%	0.61%	\$ 1,012

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)

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL FUND EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL FUND EXPENDITURES</u>
2014	\$ 68,350	\$ 116,440	\$ 184,790	\$ 1,517,057	12.18%
2015	74,822	73,471	148,293	1,535,440	9.66%
2016	63,488	69,271	132,759	1,576,252	8.42%
2017	85,883	70,876	156,759	1,650,211	9.50%
2018	86,847	114,934	201,781	1,682,915	11.99%
2019	87,670	63,835	151,505	1,716,196	8.83%
2020	87,722	61,797	149,519	1,904,601	7.85%
2021	84,843	62,529	147,372	1,886,701	7.81%
2022	84,570	63,780	148,350	1,991,527	7.45%
2023	100,954	64,594	165,548	2,246,948	7.37%

Note: Debt amounts reported include Certificates of Participation.

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



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

FISCAL YEAR	STATE BOARD OF EDUCATION BONDS				
	MOTOR VEHICLE LICENSE TAX	DEBT SERVICE		COVERAGE	
		PRINCIPAL	INTEREST		
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	
2022	1,319	1,106	235	0.98	
2023	1,137	959	191	0.99	

Note: Details regarding the District's outstanding debt can be found in Note 10 and Note 11 of the notes to the financial statements.





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

<u>YEAR</u>	<u>POPULATION (1)</u>	<u>PERSONAL INCOME (2) (IN THOUSANDS)</u>	<u>PER CAPITA INCOME (2)</u>	<u>TOTAL AVERAGE NUMBER OF ENROLLED STUDENTS (3)</u>	<u>PALM BEACH COUNTY UNEMPLOYMENT PERCENTAGE (4)</u>
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	131,881,463	87,478	192,669	7.6
2021	1,473,738	150,737,459	100,627	186,915	4.3
2022	1,515,565	N/A	N/A	190,754	2.9
2023	1,532,718	N/A	N/A	190,817	2.9

(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 -Budget Book 2024 pg. 244

(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, 2022 (UNAUDITED)**

<u>TAXPAYER (1)</u>	<u>TYPE OF BUSINESS</u>	<u>2023</u>		<u>PERCENT OF TOTAL AGGREGATE TAX LEVY</u>
		<u>2022 TAXES</u>	<u>RANK</u>	
Florida Power & Light Company	Utility	\$ 120,041	1	8.61%
Town Center	Retail Mall	11,489	2	0.82%
Breakers Hotel - Palm Beach	Resort Hotel	7,441	3	0.51%
Gardens Venture LLC	Retail Mall	7,044	4	0.53%
Boca Owner LLC	Elevators	6,837	5	0.49%
U.S. Sugar Corporation	Agriculture	5,564	6	0.40%
Publix Super Markets	Retail Store	5,491	7	0.39%
7777 South Flagler Associates LLC	Foreign Liability Company	5,446	8	0.39%
Minto PBLH LLC	Real Estate Developer	4,934	9	0.39%
Blossom Way Holdings LLC	Real Estate Developer	4,915	10	0.35%
BellSouth Telecommunications	Telecommunications			
Comcast of Florida/Georgia LLC	Cable/Internet Provider			
Panthers BRHC Ltd.	Resort Hotel			
TJ Palm Beach Assoc LTD Ptnrs	Retail Mall			
	Total principal taxpayers	\$ 179,202		13.2%

<u>Ten Largest Private Employers (Excludes Agricultural) (2)</u>	<u>2023</u>		<u>PERCENT OF TOTAL COUNTY EMPLOYMENT</u>
	<u>NUMBER OF EMPLOYEES</u>	<u>RANK</u>	
Tenet Healthcare Corp	5,734	1	0.75%
NextEra Energy (Florida Power & Light)	5,330	2	0.70%
Boca Raton Regional Hospital	3,135	4	0.41%
Veterans Health Administration	2,600	5	0.34%
HCA Florida Healthcare (Prev. Hospital Corporation of America)	2,419	3	0.32%
Breakers Hotel - Palm Beach	2,300	7	0.30%
Baptist Health South (Prev. Bethesda Memorial Hospital)	2,282	6	0.30%
Office Depot	2,000	8	0.26%
Jupiter Medical Center	1,880	9	0.25%
G4S Secure Solutions	1,451	10	0.19%
Boca Raton Resort & Club	-		-
	Total	29,131	3.82%

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

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

TABLE 19

2013		
2012 TAXES	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY
\$ 76,320	1	2.52%
7,143	2	0.24%
4,328	6	0.16%
4,740	5	0.14%
5,126	4	0.17%
5,754	3	0.19%
3,376	8	0.11%
3,360	9	0.11%
2,961	10	0.10%
<hr/>		<hr/>
\$ 116,551		3.9%

2013		
NUMBER OF EMPLOYEES	RANK	PERCENT OF TOTAL COUNTY EMPLOYMENT
6,100	1	0.94%
3,635	2	0.56%
2,250	7	0.35%
2,207	8	0.34%
2,714	4	0.42%
1,800	10	0.28%
2,391	5	0.37%
2,250	6	0.35%
3,000	3	0.46%
1,800	9	0.28%
<hr/>		<hr/>
28,147		4.34%



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
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
2022	457,474	765,189	1,168	812,755
2023	687,480	872,786	1,779	999,586

(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
\$ 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	225,889,916
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	276,784,326
66,039,000	2,603,000	51,328,683	232,375,757	12,869,784	296,574,224
75,538,000	2,547,000	63,377,140	312,423,701	15,453,564	391,254,405
67,880,714	1,056,465	68,469,923	387,007,483	16,432,887	471,910,293



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

RANK	SCHOOL DISTRICT	2013	2014	2015	2016
1	New York City, NY	989,387	988,931	995,192	981,667
2	Los Angeles, CA	655,455	653,826	646,683	639,337
3	Chicago, IL	395,948	396,641	392,558	387,311
4	Miami -Dade County, FL	354,262	356,233	356,964	357,579
5	Clark County, NV	316,778	320,532	324,093	325,990
6	Broward County, FL	260,226	262,666	266,265	269,098
7	Hillsborough County, FL	200,466	203,439	207,469	211,923
8	Orange County, FL	183,066	187,092	191,648	196,951
9	Houston, TX	203,354	211,552	215,225	215,627
10	Palm Beach County, FL	179,514	182,895	186,605	189,322
11	Gwinnett County, GA	164,976	169,150	173,246	176,052
12	Fairfax County, VA	180,616	183,417	185,541	185,828
13	State of Hawaii	184,760	186,825	182,384	181,995
14	Wake County, NC			155,820	157,839
15	Montgomery County, MD				156,380

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.

TABLE 21

2017	2018	2019	2020	2021	2022
984,832	977,233	961,040	957,195	928,371	862,547
633,621	621,414	495,255	483,234	460,633	435,958
378,199	373,700	359,476	347,484	341,382	329,836
357,249	354,840	350,434	347,307	334,261	328,589
326,953	329,259	330,225	328,991	315,646	320,245
271,852	271,956	270,978	269,172	260,235	256,037
214,386	217,072	220,252	223,305	218,943	224,149
200,674	203,982	208,203	208,875	199,089	203,224
216,106	214,175	209,772	210,061	196,943	194,607
192,721	191,786	192,533	194,675	187,057	187,943
178,214	179,266	179,758	180,589	177,401	179,581
187,467	188,556	187,797	188,887	180,028	178,479
181,550	180,837	181,278	181,088	176,441	173,178
160,467	161,417	161,784	163,404	159,802	160,099
159,010	161,546	162,680	165,267	160,564	158,231





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

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

<u>YEAR</u>	<u>PALM BEACH COUNTY CIVILIAN LABOR FORCE</u>	<u>UNEMPLOYMENT RATES (%)</u>		
		<u>PALM BEACH COUNTY</u>	<u>FLORIDA</u>	<u>UNITED STATES</u>
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	734,056	4.3	4.6	4.6
2022 ▶	763,007	2.9	2.9	3.6
2023 [1]	778,767	2.9	2.8	3.6

(1) Preliminary. Average through September 2023(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>
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
2022	20,917	39,475	17,775	103,133
2023	21,300	41,267	18,917	105,258

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

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

<u>Finance</u>	<u>Services</u>	<u>Government</u>	<u>Total</u>
38,700	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
46,858	360,633	62,592	651,383
49,392	376,083	63,550	675,767



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
Days meals served:			
Regular school program	180	180	180
Total pupil lunches served			
Paid lunches	2,999,416	3,105,281	3,043,245
Reduced lunches	745,399	796,359	683,383
Free lunches	12,853,471	13,021,892	13,552,030
Total pupil lunches served	<u>16,598,286</u>	<u>16,923,532</u>	<u>17,278,658</u>
Average number of pupil lunches served daily (regular):			
Paid lunches	16,663	17,252	16,907
Reduced lunches	4,141	4,424	3,797
Free lunches	71,408	72,344	75,289
Total average pupil lunches served daily	<u>92,212</u>	<u>94,020</u>	<u>95,993</u>
Number of pupil breakfasts served (regular):			
Paid breakfasts	1,388,567	1,492,436	1,451,588
Reduced breakfasts	416,806	430,115	293,647
Free breakfasts	6,122,378	6,052,523	6,405,117
Total pupil breakfasts served	<u>7,927,751</u>	<u>7,975,074</u>	<u>8,150,352</u>
Average number of pupil breakfasts served daily (regular):			
Paid breakfasts	7,714	8,291	8,064
Reduced breakfasts	2,316	2,390	1,631
Free breakfasts	34,013	33,625	35,584
Total average pupil breakfasts served daily	<u>44,043</u>	<u>44,306</u>	<u>45,279</u>
Number of adult lunches served (regular)	<u>255,664</u>	<u>230,221</u>	<u>204,635</u>
Average number of adult lunches served daily (regular)	<u>1,420</u>	<u>1,279</u>	<u>1,137</u>
REVENUES (IN THOUSANDS):			
Federal sources:			
Federal assistance	\$ 57,459	\$ 60,356	\$ 64,971
USDA donated food	4,359	5,097	4,926
State sources - State supplement	1,000	1,015	1,013
Local sources:			
Local food service sales:			
Students	12,721	12,075	12,085
Adults	767	691	614
Other	670	527	447
Interest on investments	56	57	179
TOTAL REVENUES	<u>\$ 77,032</u>	<u>\$ 79,818</u>	<u>\$ 84,235</u>
TOTAL COST AND OTHER FINANCING USES - Net	<u>\$ 75,083</u>	<u>\$ 78,073</u>	<u>\$ 83,762</u>

* The number of meals was affected by the COVID pandemic. School Food Service switched to the summer feeding program as of 3/20/21

** 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

2016/17	2017/18	2018/19	2019/20	*2020/21	**2021/22	**2022/23
180	175	179	179	178	180	175
3,146,385	2,605,996	3,609,981	3,609,981	-	-	-
858,546	486,409	1,195,163	1,195,163	-	-	-
13,639,973	15,095,274	13,682,265	13,682,265	11,749,074	19,685,299	19,835,037
17,644,904	18,187,679	18,487,409	18,487,409	11,749,074	19,685,299	19,835,037
17,480	14,891	20,167	20,167	-	-	-
4,770	2,779	6,677	6,677	-	-	-
75,778	86,259	76,437	76,437	66,006	109,363	113,343
98,028	103,929	103,281	103,281	66,006	109,363	113,343
1,513,010	1,112,089	1,639,963	1,639,963	-	-	-
384,462	190,069	516,401	516,401	-	-	-
6,598,614	6,802,730	6,450,187	6,450,187	7,157,268	8,463,561	8,398,773
8,496,086	8,104,888	8,606,551	8,606,551	7,157,268	8,463,561	8,398,773
8,406	6,355	9,162	9,162	-	-	-
2,136	1,086	2,885	2,885	-	-	-
36,659	38,873	36,035	36,035	40,209	47,020	47,993
47,201	46,314	48,082	48,082	40,209	47,020	47,993
181,779	181,779	173,692	119,070	21,415	64,196	63,884
1,010	1,039	970	673	120	357	365
\$ 69,596	\$ 75,214	\$ 75,103	\$ 75,103	\$ 83,191	\$ 118,907	\$ 106,557
5,592	5,051	5,810	5,810	5,081	8,122	5,211
994	1,005	1,045	1,045	1,063	1,034	1,034
12,376	10,862	13,999	11,210	613	2,787	3,401
545	510	521	521	64	193	192
295	232	348	348	146	90	772
152	229	403	403	28	(81)	1,689
\$ 89,550	\$ 93,103	\$ 97,229	\$ 94,440	\$ 90,186	\$ 131,052	\$ 118,856
\$ 91,920	\$ 95,849	\$ 102,839	\$ 102,839	\$ 79,395	\$ 104,882	\$ 124,308

2020.



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**SCHEDULE OF INSURANCE IN FORCE
AS OF JUNE 30, 2023 (UNAUDITED)**

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Petroleum Contamination Liability CST201534117	Nautilus Ins Company	Leakage of underground motor vehicle petroleum storage tanks
All Risk Property Pol # D37373643012	Lloyds of London	School Board buildings including personal property & extra expense \$5.3 billion of property values
National Flood Ins. Program 8 individual policies	American Bankers Insurance Co.	Flood protection for 30 locations and 8 buildings in flood zones AE or AO
Boiler & Machinery FBP 9450705	The Hartford Steam Boiler Ins	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 #0311-9125	Policy Allied World Assurance Company (U.S) Inc.	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
07/13/22 - 07/13/23	\$25,000	\$1 million per incident, \$4 million annual aggregate	\$ 18,911
12/31/22 - 12/31/23	\$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 \$60 million wind coverage	\$ 12,879,073
6/20/2022 - 6/20/2023	\$50,000 per building \$50,000 for contents	\$500,000 Building \$500,000 Contents	\$ 16,903
12/31/22 - 12/31/23	\$10,000 \$40,000 A/C Refrigeration	\$100 million per accident	\$ 101,136
09/07/22 - 09/07/23	1) \$100,000 per loss	1) Up to \$2 million per loss	\$ 44,563
Under Crime Insurance			
8/1/2022 - 8/1/2023	\$500,000	0	\$ 340,000

(Continued)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**SCHEDULE OF INSURANCE IN FORCE
AS OF JUNE 30, 2023 (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
01/01/22 - 12/31/23	Individual monthly premiums: \$14.40 Emp; \$30.60 Emp & Children, \$25.2 Emp & Spouse, \$39.60 Emp & Family	No annual limits	Paid by employee
	\$10.94 Emp; \$23.40 Emp & Children, \$19.04 Emp & Spouse, \$29.96 Emp & Family	No annual limits	
	\$31.96 Emp; \$87.90 Emp & Children, \$78.32 Emp & Spouse, \$118.28 Emp & Family	\$1,000 limit per year	
	\$25.20 Emp; \$69.30 Emp & Children, \$61.74 Emp & Spouse, \$93.26 Emp & Family	occurrence;	
01/01/23- 12/31/26	Individual premiums \$5.45 single \$14.00 family	Limited schedule of benefits	Paid by employee
01/01/23 - 12/31/25	Board paid \$1.75 per employee per month	Financial and legal services excluded	\$ 478,030 (Actual amount)
01/01/22 - 12/31/26	\$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	\$ 983,876 (Actual amount)

(Continued)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**SCHEDULE OF INSURANCE IN FORCE
AS OF JUNE 30, 2023 (UNAUDITED)**

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
High School Interscholastic Athletic #09-0143-2023	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 10 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 CPS7583524	Burns and Wilcox	General liability for permittees and licensees of the District
Deadly Weapon Protection B1141RE00100922	Lloyds of London	Third party liability in event of use of a deadly weapon on our property.

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
08/01/22 - 08/01/23	None	\$25,000 per person	\$ 768,561
08/01/22 - 08/01/23	1) \$25,000 per student, per accident 2) None	1) \$5 million max aggregate/injury 2) \$500,000 per student	\$ 229,982
12/31/22- 12/31/23	None	\$1 million per claim (\$5 million annual aggregate)	\$ 11,224
07/01/22 - 07/01/23	None	\$1 million each occurrence \$2 million aggregate	(paid by vendor)
8/01/2022 - 8/01/2023	\$10,000	\$15 million ea occurrence \$5 million for demolition/clear \$500,000 property damage plus funeral expn, crisis management Counseling	\$ 270,000

(Concluded)





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

<u>FISCAL YEAR</u>	<u>MINIMUM SALARY</u>	<u>MAXIMUM SALARY</u>	<u>MEAN SALARY</u>
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	92,983	66,992
2021	47,500	96,029	71,765
2022	48,175	99,180	73,678
2023	49,133	103,280	76,207

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

* Maximum Salary does not include Maximum Referendum Retention Supplement (currently approved thru fiscal year 202



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assignment				
Administrators	155	164	159	157
Supervisors of instruction	11	16	13	16
Principals	224	224	225	223
Assistant principals	382	381	382	379
Classroom teachers - Elementary	5,172	5,175	5,045	5,056
Classroom teachers - Secondary	4,881	4,888	4,868	4,945
ESE teachers	2,030	2,030	2,073	2,129
Other teachers	108	155	185	213
Guidance counselors	378	383	377	389
Social workers	68	75	83	92
Psychologists	83	92	94	93
Media center	132	133	160	160
Professional - (instructional)	930	913	897	838
Professional - (non-instructional)	759	777	804	826
Aides	1,699	1,785	1,851	1,884
Technicians	265	267	267	264
Secretarial/clerical	1,463	1,503	1,479	1,488
Service workers	2,863	2,904	3,013	3,159
Skilled crafts	231	214	210	187
Unskilled labors	39	36	32	33
Total Full Time Employees	<u>21,873</u>	<u>22,115</u>	<u>22,217</u>	<u>22,531</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
170	207	210	209	213	206
14	14	16	18	18	19
225	224	219	214	218	218
391	394	392	391	386	385
4,915	5,017	4,907	4,828	4,684	4,554
4,969	5,036	5,119	5,145	5,061	5,013
2,296	2,398	2,408	2,387	2,343	2,312
208	222	299	257	272	167
399	416	435	434	426	433
106	126	111	105	103	129
96	104	132	130	125	119
135	162	163	152	153	158
991	915	902	883	1,025	1,086
927	989	1,161	1,166	1,162	1,161
2,179	2,224	2,007	1,877	1,759	1,771
266	270	253	249	248	250
1,424	1,437	1,515	1,477	1,436	1,462
2,915	3,469	3,360	3,232	3,037	3,164
210	213	208	206	188	188
23	22	39	36	34	35
<u>22,859</u>	<u>23,859</u>	<u>23,856</u>	<u>23,396</u>	<u>22,891</u>	<u>22,830</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
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	2,349,312	12,569	5.43%	12,617	14.8
2022	190,754	2,556,107	13,400	6.61%	12,360	15.4
2023	190,817	2,869,733	15,039	12.23%	12,046	15.8

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

(1) Source: Florida Department of Education.



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for years 2023 through 2014 and rows for various school buildings including Adult Education Center, Acreage Pines Elementary, Addison Mizner Elementary, Allamanda Elementary, Atlantic High, Bak Middle School, Banyan Creek Elementary, Barton Elementary, Beacon Cove Elementary, Bear Lakes Middle, Belle Glade Elementary, Belvedere Elementary, Benoist Farms Elementary, Berkshire Elementary, Binks Forest Elementary, Blue Lake Elementary, Boca Raton Elementary, Boca Raton High, Boca Raton Middle, and Boynton Beach High. Each row lists metrics like Square feet, Capacity, and Enrollment.



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for years 2023-2014 and rows for various schools and metrics (Square feet, Capacity, Enrollment). Schools listed include 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, Dwight D. Eisenhower Elementary, and Diamond View Elementary.



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for years 2023-2014 and rows for various schools including 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, Liberty Park Elementary, and Lighthouse Elementary. Metrics include Square feet, Capacity, and Enrollment.



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for years 2023 through 2014 and rows for various schools including 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, Okeechelcee Middle, Olympic Heights High, and Omni Middle. Each row lists Square feet, Capacity, and Enrollment.



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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Orchard View Elementary (1994)										
Square feet	115,617	115,617	115,617	115,617	115,617	115,617	115,617	115,617	115,617	115,617
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	559	529	525	597	543	540	574	570	594	618
Osceola Creek Middle (2006)										
Square feet	171,771	171,771	171,771	171,771	171,771	171,771	171,771	171,771	171,771	171,771
Capacity	1,124	1,124	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Enrollment	837	753	734	741	745	724	708	667	634	607
Pahokee Elementary (K-6) (1985)										
Square feet	81,140	81,140	81,140	81,140	81,140	81,140	81,140	81,140	81,140	81,140
Capacity	671	671	671	671	671	671	671	671	671	671
Enrollment	326	327	358	400	421	427	360	379	359	376
Pahokee Mid/Sr. (1970) (Modernization 2010)										
Square feet	320,135	320,135	320,135	320,135	320,135	320,135	320,135	320,147	319,787	319,787
Capacity	1,973	1,973	1,945	1,945	1,945	1,945	1,945	1,950	1,950	1,950
Enrollment	870	810	797	856	863	854	849	790	811	823
Palm Beach Central High (2004)										
Square feet	395,877	395,877	395,877	395,877	395,877	395,877	395,877	395,877	395,877	395,877
Capacity	2,744	2,744	2,730	2,730	2,730	2,730	2,754	2,754	2,754	2,754
Enrollment	2,970	2,854	2,897	2,935	3,018	2,999	2,921	3,004	2,894	2,856
Palm Beach Gardens ES (1962) (Modernization 2008)										
Square feet	111,459	111,459	111,459	111,459	111,459	111,459	111,459	111,459	111,459	111,459
Capacity	739	739	739	739	739	739	739	739	739	739
Enrollment	623	571	581	648	678	718	694	714	709	732
Palm Beach Gardens High (1965) (Modernization 2010)										
Square feet	379,095	379,095	379,095	379,095	379,095	379,095	379,095	379,095	379,095	379,095
Capacity	2,853	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852
Enrollment	2,543	2,638	2,629	2,620	2,725	2,735	2,712	2,664	2,604	2,505
Palm Beach Lakes High (1986)										
Square feet	411,424	411,424	411,424	411,424	411,424	411,424	411,424	411,424	411,424	405,655
Capacity	2,476	2,476	2,746	2,742	2,742	2,742	2,750	2,750	2,750	2,750
Enrollment	2,683	2,319	2,387	2,549	2,313	2,343	2,314	2,165	2,019	1,886
Palm Beach Public School (1921) (Modernization 2006)										
Square feet	68,595	68,595	68,595	68,595	68,595	68,595	68,595	68,595	68,595	68,595
Capacity	393	393	393	393	393	393	393	393	393	393
Enrollment	379	391	379	395	383	365	399	406	406	413
Palm Springs Elementary (1988)										
Square feet	140,281	140,281	140,281	140,281	140,281	140,281	140,281	140,281	140,281	140,281
Capacity	1,022	1,022	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012
Enrollment	993	980	961	984	842	859	848	836	850	888
Palm Springs Middle (2006) (formerly named Jeff Davis 1968)										
Square feet	212,472	212,472	212,472	212,472	212,472	212,472	212,472	212,472	212,472	212,472
Capacity	1,754	1,754	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704
Enrollment	1,536	1,502	1,519	1,607	1,613	1,645	1,585	1,488	1,535	1,635
Palmetto Elementary (1989)										
Square feet	125,940	125,940	125,940	125,940	125,940	125,940	125,940	125,940	125,940	125,940
Capacity	882	882	864	882	882	882	882	882	882	882
Enrollment	522	539	533	557	559	549	549	535	580	583
Panther Run Elementary (1965)										
Square feet	130,092	130,092	130,092	130,092	130,092	130,092	130,092	130,092	130,092	130,092
Capacity	978	978	978	978	978	978	978	978	978	978
Enrollment	730	744	753	821	832	822	736	734	638	660
Park Vista High (2005)										
Square feet	428,411	428,411	428,411	428,411	428,411	428,411	428,411	428,411	428,411	428,411
Capacity	3,156	3,156	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150
Enrollment	3,141	3,112	3,105	3,080	3,059	3,088	3,022	3,026	2,967	2,892
Pierce Hammock Elementary (2005)										
Square feet	122,505	122,505	122,505	122,505	122,505	122,505	122,505	122,505	122,505	122,505
Capacity	808	808	974	808	808	808	808	808	808	808
Enrollment	483	457	416	469	452	469	476	505	523	563
Pine Grove Elementary (1966)										
Square feet	86,483	86,483	86,483	86,483	86,483	86,483	86,483	86,483	86,483	86,483
Capacity	678	654	654	654	654	654	654	654	654	654
Enrollment	317	328	352	375	367	372	418	386	393	413
Pine Jog Elementary (2008) 03-Y										
Square feet	125,990	125,990	125,990	125,990	125,990	125,990	125,990	125,990	125,990	125,990
Capacity	974	974	974	974	974	974	974	974	974	974
Enrollment	862	879	880	910	915	932	936	945	953	910
Pioneer Park Elementary (1995)										
Square feet	102,411	102,411	102,411	102,411	102,411	102,411	102,411	102,411	102,411	102,411
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	305	292	312	317	318	309	273	253	291	375



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Pleasant City Elementary (2003)										
Square feet	69,462	69,462	69,462	69,462	69,462	69,462	69,462	69,462	69,462	69,462
Capacity	386	386	386	386	386	386	386	386	386	386
Enrollment	306	304	274	279	279	304	316	315	368	307
Plumosa Elementary (1954) (new site only 2013)										
Square feet	216,357	216,357	169,344	169,344	169,344	169,344	169,344	169,344	169,344	169,344
Capacity	1,183	1,183	711	711	711	711	711	711	711	711
Enrollment	742	673	570	620	637	601	645	630	617	601
Poinciana Elementary (1956)										
Square feet	96,907	96,907	96,907	96,907	96,907	96,907	96,907	96,907	96,907	96,907
Capacity	685	685	685	685	685	685	685	685	685	685
Enrollment	424	440	493	510	541	555	559	557	536	521
Polo Park Middle (1993)										
Square feet	189,989	189,989	189,989	189,989	189,989	189,989	189,989	191,769	191,769	191,769
Capacity	1,413	1,413	1,411	1,411	1,411	1,411	1,411	1,451	1,451	1,451
Enrollment	1,156	1,188	1,291	1,237	1,089	869	828	870	850	836
Riviera Beach Preparatory (1967) (RFS moved to site in 2011 & Inlet Grove moved to Old Suncoast)										
Square feet	111,767	111,767	111,767	111,767	111,767	111,767	113,291	113,291	113,291	113,291
Capacity	539	485	484	484	484	484	484	484	484	484
Enrollment	203	156	125	188	178	162	99	175	151	153
Rolling Green Elementary (1961) (Modernization 2007)										
Square feet	146,744	146,744	146,744	146,744	146,744	146,744	146,744	146,744	146,744	146,744
Capacity	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109
Enrollment	650	677	702	727	758	784	831	833	798	769
Roosevelt Elementary (1996) (Modernization 2007)										
Square feet	117,695	117,695	117,695	117,695	117,695	117,695	117,695	117,695	117,695	117,695
Capacity	801	801	801	801	801	801	801	801	801	801
Enrollment	300	297	350	354	339	381	402	435	456	457
Roosevelt Middle (1993)										
Square feet	212,626	212,626	212,626	212,626	212,626	212,626	212,626	212,650	212,650	212,814
Capacity	1,551	1,551	1,529	1,529	1,529	1,529	1,529	1,552	1,552	1,547
Enrollment	846	911	1,012	1,077	1,075	1,030	976	953	1,068	1,114
Rosenwald Elementary (1951) Modernization 2015										
Square feet	70,596	70,596	70,596	70,596	70,596	70,596	70,596	70,596	65,004	10,194
Capacity	314	314	314	314	314	314	314	328	328	0
Enrollment	291	295	323	350	316	261	292	260	258	243
Royal Palm Beach Elementary (2001)										
Square feet	108,517	108,517	108,517	108,517	108,517	108,517	108,517	108,517	104,677	104,677
Capacity	846	846	846	846	846	846	846	846	774	774
Enrollment	679	691	660	702	703	704	650	616	630	636
Royal Palm Beach High (1996)										
Square feet	325,555	325,555	325,520	325,520	325,520	325,520	323,912	323,912	323,912	323,912
Capacity	2,242	2,242	2,222	2,222	2,222	2,222	2,194	2,194	2,194	2,194
Enrollment	2,387	2,354	2,369	2,321	2,289	2,202	2,162	2,190	2,186	2,209
Royal Palm School (1959) Modernization 2009)										
Square feet	147,481	147,481	147,481	147,481	147,481	147,481	147,481	147,481	147,481	147,481
Capacity	623	623	623	623	623	623	623	623	623	623
Enrollment	184	191	219	240	240	224	243	439	494	213
S.D. Spady Elementary (1990) (Modernization 2005)										
Square feet	91,371	91,371	91,371	91,371	91,371	91,371	91,371	91,371	91,371	91,371
Capacity	697	697	697	697	697	697	697	697	697	697
Enrollment	367	389	434	477	487	512	542	536	532	527
Sandpiper Shores Elementary (1970)										
Square feet	116,612	116,612	116,612	116,612	116,612	116,612	116,612	116,612	116,612	116,612
Capacity	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064
Enrollment	832	827	809	850	877	897	872	907	887	799
Santaluces High (1965) (Addition 2005)										
Square feet	360,131	360,117	360,117	360,117	360,117	360,117	360,117	360,117	360,117	352,652
Capacity	2,322	2,322	2,322	2,317	2,317	2,317	2,322	2,322	2,322	2,322
Enrollment	2,611	2,522	2,522	2,595	2,468	2,466	2,332	2,326	2,415	2,350
Seminole Ridge High (2006)										
Square feet	382,147	382,147	382,147	382,147	382,147	382,147	382,147	382,147	382,147	382,147
Capacity	2,359	2,359	2,359	3,351	2,351	2,351	2,463	2,463	2,463	2,463
Enrollment	2,239	2,192	2,154	2,181	2,159	2,257	2,296	2,304	2,351	2,415
Seminole Trails Elementary (1965)										
Square feet	137,032	137,032	137,032	137,032	137,032	137,032	137,032	137,032	137,032	137,032
Capacity	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066
Enrollment	627	605	610	643	684	716	754	764	803	724
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	99,413
Capacity	715	715	715	715	715	715	715	715	715	715
Enrollment	613	639	650	727	866	805	810	739	705	655



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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
South Intensive Transition (1965) South Tech Portable Site										
Square feet	149,428	149,428	143,668	14,085	14,085	14,085	14,085	14,085	13,635	13,635
Capacity	923	923	948	20	20	20	20	20	20	20
Enrollment	109	69	43	53	64	61	56	68	69	65
South Olive Elementary (1988)										
Square feet	99,372	99,372	99,372	99,372	99,372	99,372	99,372	99,372	99,372	97,302
Capacity	637	637	637	637	637	637	637	637	637	637
Enrollment	464	459	466	542	591	563	607	653	697	706
Spanish River High (1965)										
Square feet	347,928	347,576	347,576	347,576	335,096	335,096	335,096	335,096	335,096	335,096
Capacity	2,574	2,574	2,574	2,544	2,235	2,235	2,259	2,259	2,259	2,259
Enrollment	2,557	2,486	2,394	2,393	2,433	2,385	2,334	2,306	2,356	2,336
Starlight Cove Elementary (1988)										
Square feet	129,633	129,633	129,633	129,633	129,633	129,633	129,663	129,663	129,663	128,790
Capacity	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086
Enrollment	701	679	633	733	784	757	801	820	847	911
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	1,714	1,714	1,733	1,733	1,733
Enrollment	1,547	1,556	1,558	1,529	1,556	1,577	1,551	1,498	1,505	1,486
Sunrise Park Elementary (2000)										
Square feet	121,509	121,509	121,509	121,509	121,509	121,509	121,509	121,509	121,509	121,509
Capacity	972	972	972	972	972	972	972	972	972	972
Enrollment	1,020	1,001	914	902	903	893	807	815	854	867
Sunset Palm Elementary (2008)										
Square feet	130,946	130,946	130,946	130,946	130,946	130,946	130,946	130,946	127,106	127,106
Capacity	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	978	978
Enrollment	923	939	693	1,036	1,004	986	1,067	1,096	1,034	986
Timber Trace Elementary (1990)										
Square feet	114,808	114,808	114,808	114,808	114,808	114,808	114,808	114,808	114,808	114,841
Capacity	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,001
Enrollment	826	806	853	946	988	970	877	852	860	935
Tradewinds Middle (2005)										
Square feet	192,126	192,126	192,126	192,126	192,126	192,126	192,126	192,126	192,126	192,066
Capacity	1,240	1,240	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245
Enrollment	928	936	1,002	1,078	1,085	1,063	1,045	1,054	1,152	1,189
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	820
Enrollment	82	60	41	89	89	69	80	125	125	102
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	698	698	700	700	700	700	700	700	700	700
Enrollment	511	513	603	611	588	601	612	564	549	559
Verde Elementary (1980)										
Square feet	135,456	135,546	135,546	135,546	109,513	109,513	109,513	109,513	109,513	109,513
Capacity	1,364	1,364	1,364	1,364	926	926	926	926	926	926
Enrollment	1,316	1,326	1,126	1,026	1,121	1,082	1,035	982	901	847
Village Academy (1999)										
Square feet	176,884	176,884	176,884	176,884	176,884	176,884	176,884	176,884	176,884	176,884
Capacity	1,107	1,107	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083
Enrollment	496	545	619	592	590	633	657	685	731	746
Washington Elementary (1964)										
Square feet	71,320	71,320	71,809	18,736	70,005	70,005	70,005	70,005	70,005	70,005
Capacity	514	514	514	20	484	484	484	484	484	484
Enrollment	237	213	187	226	311	320	330	360	370	380
Waters Edge Elementary (1985)										
Square feet	110,031	110,031	110,031	110,031	110,031	110,031	110,031	110,031	110,031	110,031
Capacity	818	818	818	818	818	818	818	818	818	818
Enrollment	711	753	762	818	830	867	865	856	782	811
Watson B. Duncan Middle (1960)										
Square feet	164,501	164,501	164,501	164,235	164,235	164,235	164,235	164,235	164,235	156,217
Capacity	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,358
Enrollment	1,169	1,130	1,221	1,267	1,305	1,300	1,264	1,310	1,275	1,311
Wellington High (1965)										
Square feet	342,888	342,888	342,888	342,878	342,878	342,878	342,878	342,878	342,878	348,110
Capacity	2,258	2,258	2,258	2,258	2,252	2,251	2,297	2,297	2,297	2,297
Enrollment	2,664	2,602	2,547	2,514	2,564	2,618	2,524	2,465	2,380	2,346
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	873	816	761	861	850	835	758	689	664	710



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Wellington Landings Middle (1970)										
Square feet	185,796	185,796	185,796	185,622	185,622	185,622	185,622	187,542	187,542	187,542
Capacity	1,588	1,588	1,588	1,571	1,571	1,570	1,570	1,610	1,610	1,610
Enrollment	1,252	1,264	1,274	1,337	1,335	1,337	1,202	1,044	1,032	1,117
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	373,319
Capacity	2,311	2,311	2,305	2,305	2,305	2,304	2,315	2,315	2,315	2,315
Enrollment	2,256	2,274	2,257	2,165	2,173	2,124	2,031	1,958	1,968	2,054
West Gate Elementary (2001)										
Square feet	114,859	114,859	114,859	114,859	114,859	114,859	114,859	114,859	114,859	118,783
Capacity	734	734	734	734	734	734	734	734	734	734
Enrollment	724	742	724	759	780	788	778	747	711	721
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	729
Enrollment	479	542	536	590	557	591	695	673	656	671
Western Pines Middle (1970)										
Square feet	143,361	143,361	143,361	143,361	143,361	143,361	143,361	143,361	143,361	143,361
Capacity	1,024	1,024	1,024	1,054	1,054	1,054	1,054	1,054	1,054	1,054
Enrollment	992	953	1,072	1,148	1,162	1,075	1,117	1,077	1,052	1,100
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	890
Enrollment	474	463	501	527	605	606	596	535	578	664
Whispering Pines Elementary (1984)										
Square feet	135,474	135,474	135,474	135,474	135,474	135,474	135,474	135,474	135,474	135,474
Capacity	932	932	932	932	932	932	932	932	932	932
Enrollment	1,043	1,010	945	981	929	888	887	881	852	823
William T. Dwyer High (1960)										
Square feet	368,796	368,796	368,796	368,796	368,796	368,796	368,559	368,559	368,559	358,719
Capacity	2,427	2,427	2,424	2,424	2,424	2,424	2,481	2,456	2,456	2,456
Enrollment	2,184	2,139	2,174	2,242	2,271	2,261	2,212	2,006	2,000	2,031
Woodlands Community Middle (1998)										
Square feet	200,139	200,139	200,139	200,139	200,139	200,139	200,139	200,699	200,699	200,699
Capacity	1,412	1,412	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411
Enrollment	1,547	1,578	1,521	1,536	1,354	1,236	1,104	1,097	1,145	1,199
Wynnebrook Elementary (1966)										
Square feet	88,103	88,103	88,103	88,103	88,103	88,103	88,103	88,103	88,103	88,103
Capacity	861	861	861	861	861	861	861	861	861	861
Enrollment	729	769	772	794	846	900	880	853	835	849
TOTAL										
Square feet	27,737,972	27,699,079	27,625,769	27,390,445	27,556,980	27,555,630	27,614,592	27,610,353	27,587,109	27,310,907
Capacity	202,615	202,337	201,766	200,511	198,517	198,526	199,660	199,657	199,601	198,231



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 Fahrenheit
Average high 83.1 degrees Fahrenheit
Average low 67.8 degrees Fahrenheit
Average rainfall (per month) 5.2 inches

Number of Public Schools

Elementary 111
Junior High and Middle Schools 33
High Schools 24
Special Schools 13 *
Total 181
Charter Schools 48

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





RSM US LLP

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. As a result of the adoption, beginning property under leases and SBITA and obligations under leases and SBITA were restated. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other post-employment benefits and pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are 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 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 combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023, on our consideration of the District's internal control over financial reporting and on 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 27, 2023

The School District of Palm Beach County, Florida

Single Audit Reports in
Accordance With the Uniform Guidance
Year Ended June 30, 2023

Contents

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RSM US LLP

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

Independent Auditor's Report

Honorable Chairperson and Board 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 (*Government Auditing Standards*), 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 (District), as of and for the year ended June 30, 2023, 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 27, 2023. Our report includes an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

West Palm Beach, Florida
November 27, 2023

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on 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 identified as subject to audit in the 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, 2023, 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.

In our opinion, the District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon, dated November 27, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 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 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 27, 2023

The School District of Palm Beach County, Florida

Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2023

	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Sub- Recipients
United States Department of Agriculture				
Indirect:				
Child Nutrition Cluster				
Passed through Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	23002	\$ 17,484,655	\$ -
National School Lunch Program	10.555	23001, 23003	84,705,398	-
Summer Food Service Program	10.559	22006, 22007, 23006, 23007	4,355,520	-
Fresh Fruit and Vegetable Program	10.582	23004	647,055	-
Total Child Nutrition Cluster			107,192,628	-
Passed through Florida Department of Health:				
Child and Adult Care Food Program	10.558	A-4576	4,575,453	-
Total United States Department of Agriculture			111,768,081	-
United States Department of Defense				
Direct:				
Reserve Officers Training Corps	12.UNK	N/A	1,591,148	-
Total United States Department of Defense			1,591,148	-
United States Department of Justice				
Direct:				
STOP School Violence	16.839	N/A	669,406	-
Total United States Department of Justice			669,406	-
United States Department of the Treasury				
Indirect:				
Passed through Florida Department of State:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	None	279,461	-
Total United States Department of the Treasury			279,461	-
United States Federal Communications Commission				
Direct:				
Emergency Connectivity Fund Program	32.009	N/A	306,871	-
Total United States Federal Communications Commission			306,871	-
United States General Services Administration				
Indirect:				
Passed through Florida Department of Management Services:				
Donation of Federal Surplus Personal Property	39.003	None	81,874	-
Total United States General Services Administration			81,874	-
United States Department of Education:				
Direct:				
Impact Aid	84.041	N/A	11,230	-
School Safety National Activities	84.184	N/A	420,358	-
Total Direct:			431,588	-
Indirect:				
Special Education Cluster				
Passed through Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	45,308,860	3,312,985
COVID-19 Special Education - Grants to States	84.027	263	3,140,597	312,211
Total Special Education - Grants to States			48,449,457	3,625,196
Passed through Florida Department of Education:				
Special Education - Preschool Grants	84.173	266, 267	1,341,931	26,637
COVID-19 Special Education - Preschool Grants	84.173	267	640,810	1,008
Total Special Education - Preschool Grants			1,982,741	27,645
Total Special Education Cluster			50,432,198	3,652,841

(Continued)

The School District of Palm Beach County, Florida

Schedule of Expenditures of Federal Awards (Continued)
Fiscal Year Ended June 30, 2023

	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Sub- Recipients
Passed through from Insight Education Group:				
Teacher and School Leader Incentive Grants	84.374	None	\$ 3,317,795	\$ -
Passed through Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191,193	3,080,244	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	58,074,390	4,164,646
Migrant Education - State Grant Program	84.011	217	2,297,091	-
Career & Technical Education - Basic Grant to States	84.048	161	1,676,760	11,219
Education for Homeless Children and Youth	84.196	127	92,233	-
Twenty-First Century Community Learning Centers	84.287	244	7,131,307	247,424
English Language Acquisition State Grants	84.365	102	5,581,451	-
Supporting Effective Instruction State Grants	84.367	224	7,576,938	80,895
School Improvements Grants	84.377	126	32	-
Student Support and Academic Enrichment Program	84.424	241	4,045,977	90,241
Education Stabilization Fund:				
COVID-19 Governor's Emergency Education Relief Fund	84.425C	123	1,145,135	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	124, 128	9,215,069	6,342,506
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	121	146,861,973	8,356,452
COVID-19 American Rescue Plan - Homeless Children and Youth (ARP-HCY) Project	84.425W	122	1,207,538	-
Total Education Stabilization Fund	84.425		<u>158,429,715</u>	<u>14,698,958</u>
Total Indirect			<u>301,736,131</u>	<u>22,946,224</u>
Total United States Department of Education			<u>302,167,719</u>	<u>22,946,224</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	186,737	-
COVID-19 Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and School-Based Surveillance				
	93.079	N/A	20,422	-
Total Direct			<u>207,159</u>	<u>-</u>
Indirect:				
Child Care and Development Fund Cluster:				
Passed through Florida Department of Early Learning:				
COVID-19 Child Care and Development Block Grant	93.575	None	6,583,634	-
Total Child Care and Development Fund Cluster			<u>6,583,634</u>	<u>-</u>
Head Start Cluster				
Passed through Lutheran Services Florida:				
Head Start	93.600	04CH011690	3,259,466	-
COVID-19 Head Start	93.600	04HE000622	89,652	-
Total Head Start Cluster			<u>3,349,118</u>	<u>-</u>
Total United States Department of Health & Human Services			<u>10,139,911</u>	<u>-</u>
United States Department of Homeland Security				
Indirect:				
Passed through Florida Division of Emergency Management:				
Disaster Grants-Public Assistance	97.036	Z2137	483,237	-
COVID-19 Disaster Grants-Public Assistance	97.036	None	11,175,875	-
Total United States Department of Homeland Security			<u>11,659,112</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 438,663,583</u>	<u>\$ 22,946,224</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, 2023. 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

(A) National School Lunch Program: ALN# 10.555 and Summer Food Service Program ALN# 10.559
Includes \$5,210,667 and \$1,712,787, respectively, of donated food received during the fiscal year.
Donated foods are valued at fair value as determined at the time of donation.

(B) Emergency Connectivity Fund: Includes \$306,871 of services received during the fiscal year.

The School District of Palm Beach County, Florida

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

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:

Federal Assistance Listing Number(s)

Name of Federal Program or Cluster

10.553, 10.555, 10.559, 10.582	Child Nutrition Cluster
84.287	Twenty-First Century Community Learning Centers
84.425	COVID-19 – Education Stabilization Fund (ESF)
93.575	COVID-19 - Child Care and Development Fund Cluster
97.036	COVID-19 - Disaster Grants - Public Assistance

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, 2023**

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, 2023**

I – Financial Statement Findings

No matters to report.

II – Federal Awards Findings and Questioned Costs

No matters to report.

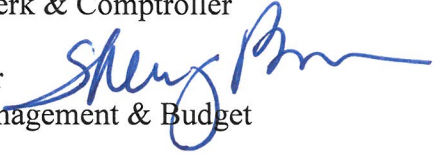


INTEROFFICE COMMUNICATION

**Office of
Financial Management & Budget**

P.O. Box 1989
West Palm Beach, FL 33402-1989
(561) 355-2580
FAX: (561) 355-2109
www.pbcgov.com

TO: Joseph Abruzzo
Palm Beach County Clerk & Comptroller

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

DATE: December 7, 2023

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

**Palm Beach County
Board of County
Commissioners**

Maria Sachs, Mayor
Maria G. Marino, Vice Mayor

Gregg K. Weiss

Michael A. Barnett

Marci Woodward

Sara Baxter

Mack Bernard

County Administrator

Verdenia C. Baker

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 9/30/2023 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.

*"An Equal Opportunity
Affirmative Action Employer"*

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 Robyn Lawrence, Director of the Financial Management Division, at 355-4369.

Copies: Robyn Lawrence
 Derrek Moore
 Ryan Maher
 Paul A. Guzenski

FLORIDA DEPARTMENT OF EDUCATION
AFFIDAVIT ON IMPACT FEES

STATE OF FLORIDA

PALM BEACH COUNTY SCHOOL DISTRICT

To the best of my knowledge, I hereby declare that all impact fees collected and expended by my school district, or on its behalf for fiscal year 2022-23 were in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct or improve specific infrastructure needs.

NAME OF AFFIANT Heather Frederick (please print)

SIGNATURE OF AFFIANT _____

TITLE Chief Financial Officer (CFO or equivalent)

Sworn to and subscribed before me this 14 day of November, 2023.

Laura Palo

SIGNATURE OF NOTARY PUBLIC, STATE OF FLORIDA

Laura Palo

(Print, Type, or Stamp Commissioned Name of Notary Public)

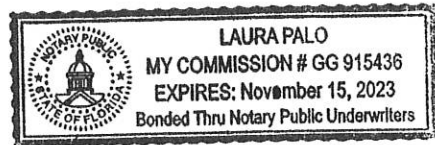
(Check one)

Affiant personally known to notary

Or

Affiant produced identification

Type of Identification Produced: _____





RSM US LLP

**Independent Accountant's Report
on Compliance With Local Government Investment
Policies in Accordance With Chapter 10.800 of the
Rules of the Auditor General of the State of Florida**

Honorable Chairperson and Board 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* during the period July 1, 2022 to June 30, 2023. Management of the District is responsible for the District's compliance with the specified 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 and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the District complied, in all material respects, with the specified requirements during the period July 1, 2022 to June 30, 2023.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Chairperson 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 27, 2023

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



**EDUCATE
AFFIRM
INSPIRE**

2022-2023

PRIORITY STUDENT OUTCOMES

We have identified specific indicators to track our progress on our strategic plan results within our three priority outcomes of Educate, Affirm and Inspire.

EDUCATE

- Early literacy in Pre-K – 3rd Grade
- Key milestones for academic achievement
- Successful transitions between schools, to college and career

AFFIRM

- Equitable participation and representation
- Student perceptions of staff support
- Growth mindset of students and staff

INSPIRE

- Student, caregiver, and community satisfaction and engagement
- Student self-efficacy and attendance
- Student participation in extracurriculars
- Career pathway participation
- Post-graduate credentials
- Increased district enrollment



VISION STATEMENT

The School District of Palm Beach County is an educational and working environment, where both students and staff are unimpeded by bias or discrimination. Individuals of all backgrounds and experiences are embraced, affirmed, and inspired. Each and every one will succeed and flourish.

The School District of Palm Beach County will take ownership for students' academic mastery, emotional intelligence, and social-emotional needs by creating environments where students, families, staff, and communities will develop agency and voice.

A joy of learning is fostered in each student and a positive vision for their future is nurtured. Each student's cultural heritage is valued and their physical, emotional, academic, and social needs are met.

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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[@pbcspd](https://twitter.com/pbcspd)



School District of
Palm Beach County