



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

Prepared by:

**Financial Reporting
Accounting Department
Division of Financial Management**

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

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THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINED BALANCE SHEET - (MODIFIED ACCRUAL BASIS)
ALL FUND TYPES
DECEMBER 31, 2010
(With prior year comparative totals)

	Governmental Fund Types				PROPRIETARY	PRIVATE	TOTALS (MEMORANDUM ONLY)		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FUND TYPE	PURPOSE TRUST	DECEMBER 2010	DECEMBER 2009	JUNE 2010
<u>ASSETS</u>					INTERNAL SERVICE	FLORIDA FUTURE EDUCATORS			
ASSETS:									
Cash and investments	\$ 589,791,360	\$ 12,291,153	\$ 6,868,996	\$ 602,254,009	\$ 21,212,879	\$ 476,761	\$ 1,232,895,157	\$ 1,202,632,858	\$ 701,197,392
Taxes receivable (net of uncollectible taxes)	-	-	-	-	-	-	-	-	38,331,629
Accounts and interest receivable	1,528,600	-	-	-	-	-	1,528,600	6,722,074	1,040,006
Due from other governments or agencies	2,700,000	17,858,976	-	5,703,568	-	-	26,262,544	21,320,886	44,192,277
Inventories	4,977,149	3,041,185	-	-	-	-	8,018,334	6,953,574	16,252,015
Other assets	-	137,973	-	-	-	-	137,973	104,508	88,517
TOTAL ASSETS	\$ 598,997,108	\$ 33,329,287	\$ 6,868,996	\$ 607,957,577	\$ 21,212,879	\$ 476,761	\$ 1,268,842,608	\$ 1,237,733,899	\$ 801,101,836
LIABILITIES AND FUND BALANCE / NET ASSETS									
LIABILITIES:									
Accounts and contracts payable and accrued items	\$ 2,562,128	\$ 2,220,432	\$ -	\$ 875,981	\$ 106,417	\$ -	\$ 5,764,958	\$ 4,165,390	\$ 36,969,258
Accrued payroll	20,371,573	3,503,589	-	152,026	595,923	-	24,623,110	-	65,026,020
Fringe benefits & taxes payable	18,184,627	3,159,817	-	147,212	501,713	-	21,993,370	10,060,163	29,832,738
Due to other governments or agencies	-	-	-	28,844	-	-	28,844	-	-
Retainage payable on contracts	-	-	-	5,730,290	-	-	5,730,290	12,186,821	7,489,737
Tax / Revenue anticipation notes payable	115,000,000	-	-	56,000,000	-	-	171,000,000	157,135,000	56,000,000
Deposits payable	522,690	-	-	-	-	-	522,690	527,626	401,515
Deferred revenue	2,754,050	953,503	-	4,613,751	-	-	8,321,304	2,305,809	5,469,969
Estimated unpaid claims	-	-	-	-	13,400,000	-	13,400,000	14,250,000	13,400,000
Compensated absences and OPEB	-	-	-	-	6,474,494	-	6,474,494	5,315,495	6,474,494
TOTAL LIABILITIES	159,395,068	9,837,341	-	67,548,104	21,078,547	-	257,859,060	205,946,304	221,063,731
FUND BALANCE / NET ASSETS:									
Fund balances reserved:									
Reserved for inventory	4,977,149	3,041,185	-	-	-	-	8,018,334	6,953,574	16,252,015
Reserved for school food service	-	18,700,641	-	-	-	-	18,700,641	-	17,624,225
Reserved for Special Revenue	-	1,750,000	-	-	-	-	1,750,000	-	1,750,000
Fund balances unreserved:									
Designated for board contingency	44,369,164	-	-	-	-	-	44,369,164	44,369,164	44,369,164
Designated for communications	-	-	-	-	-	-	-	2,275,158	-
Designated for construction projects	-	-	-	540,409,473	-	-	540,409,473	528,700,575	338,101,547
Undesignated	390,255,728	-	6,868,996	-	134,332	476,761	397,735,816	449,489,124	161,941,155
TOTAL FUND BALANCE / NET ASSETS	439,602,040	23,491,826	6,868,996	540,409,473	134,332	476,761	1,010,983,428	1,031,787,595	580,038,105
TOTAL LIAB. & FUND BALANCE / NET ASSETS	\$ 598,997,108	\$ 33,329,167	\$ 6,868,996	\$ 607,957,577	\$ 21,212,879	\$ 476,761	\$ 1,268,842,488	\$ 1,237,733,899	\$ 801,101,836

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE / NET ASSETS
ALL GOVERNMENTAL FUND TYPES AND PRIVATE PURPOSE TRUST FUND
FOR THE PERIOD ENDED DECEMBER 31, 2010
(With prior year comparative totals)

	GOVERNMENTAL FUND TYPES				PRIVATE PURPOSE TRUST	TOTALS (MEMORANDUM ONLY)		PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FLORIDA FUTURE EDUCATORS	DECEMBER 2010	DECEMBER 2009	DECEMBER 2010	DECEMBER 2009
REVENUES:									
Local sources:									
Ad valorem taxes	\$ 684,369,550	\$ -	\$ -	\$ 163,904,549	\$ -	\$ 848,274,098	\$ 912,490,404	\$ -	\$ -
Sales tax	-	-	-	30,570,845	-	30,570,845	29,933,636	-	-
Food service sales	127,884	8,496,552	-	-	-	8,624,435	9,818,082	-	-
Interest income	-	22,877	-	490,505	2,438	515,820	2,851,266	75,390	41,444
Premium income	-	-	-	-	-	-	-	70,716,683	65,020,869
Other income	21,177,028	1,744,257	-	3,176,596	42,092	26,139,973	23,195,663	16,170,490	13,871,522
Total local sources	705,674,462	10,263,686	-	198,142,494	44,530	914,125,171	978,289,051	86,962,562	78,933,836
State sources:									
Florida education finance program	69,125,946	-	-	-	-	69,125,946	57,951,468	-	-
Public education capital outlay	-	-	-	5,453,410	-	5,453,410	1,963,985	-	-
Class Size Reduction	97,212,684	-	-	-	-	97,212,684	89,473,236	-	-
Food service sales	-	464,160	-	-	-	464,160	683,424	-	-
Other	15,707,487	145,850	-	1,732,537	-	17,585,874	19,897,047	-	-
Total state sources	182,046,117	610,010	-	7,185,947	-	189,842,074	169,969,160	-	-
Federal sources:									
Food service sales	-	21,950,001	-	-	-	21,950,001	19,727,370	-	-
Other	1,709,273	80,637,162	-	-	-	82,346,555	80,797,122	-	-
Total federal sources	1,709,273	102,587,164	-	-	-	104,296,556	100,524,492	-	-
TOTAL REVENUES	889,429,852	113,460,859	-	205,328,441	44,530	1,208,263,802	1,248,782,704	86,962,562	78,933,836
EXPENDITURES:									
Current:									
Instructional services	371,429,461	24,542,696	-	-	-	395,972,157	357,041,024	-	-
Instructional support services	37,664,280	35,551,183	-	-	-	73,215,463	71,837,172	-	-
Instructional related technology	1,579,107	1,661,309	-	-	-	3,240,416	2,876,343	-	-
Pupil transportation services	18,377,266	2,048,007	-	-	-	20,425,273	18,732,085	-	-
Operation and maintenance services	74,750,522	16,338,777	-	-	-	91,089,300	89,082,479	15,175,855	13,022,515
School administration	52,979,944	241,667	-	-	-	53,221,611	49,768,479	83,167,572	81,652,964
General administration	13,321,395	1,979,139	-	-	-	15,300,533	15,647,249	239,595	191,926
Food service	-	30,502,986	-	-	-	30,428,493	27,813,560	-	-
Community services and other	13,762,857	32,142	-	-	61,823	13,931,314	12,994,175	-	-
Capital outlay:									
Facilities acquisition and construction	571,685	-	-	28,950,033	-	29,521,719	70,944,103	-	-
Other capital outlay	-	5,000	-	20,397,617	-	20,402,617	28,064,027	-	-
Debt service:									
Retirement of principal	-	-	60,205,000	-	-	60,205,000	57,995,000	-	-
Payment of interest	68,507	-	42,551,324	72,235	-	42,692,066	46,785,804	-	-
Dues, fees and other	69,842	-	96,551	369,014	-	535,408	174,202	-	-
TOTAL EXPENDITURES	584,574,865	112,902,907	102,852,875	49,788,900	61,823	850,181,370	849,755,702	98,583,022	94,867,405
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	304,854,987	557,952	(102,852,875)	155,539,542	(17,293)	358,082,432	399,027,002	(11,620,460)	(15,933,570)
OTHER FINANCING SOURCES (USES):									
Operating transfers in	36,380,460	-	-	-	-	36,380,460	34,981,043	-	-
Operating transfers out	-	-	-	(36,380,460)	-	(36,380,460)	(34,981,043)	-	-
Proceeds from issuance of long-term debt	-	-	-	77,365,000	-	77,365,000	-	-	-
Premium (discount) from issuance of long-term and refunded debt	-	-	-	349,855	-	349,855	-	-	-
Proceeds from loss recoveries	1,334,628	-	-	-	-	1,334,628	2,182,083	-	-
Proceeds from sale of fixed assets and other	-	-	-	5,433,988	-	5,433,988	363,019	-	-
TOTAL OTHER FINANCING SOURCES (USES)	37,715,087	-	-	46,768,384	-	84,483,471	2,545,102	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING USES	342,570,074	557,952	(102,852,875)	202,307,925	(17,293)	442,565,903	401,572,103	(11,620,460)	(15,933,570)
BEGINNING FUND BALANCE / NET ASSETS	97,031,967	22,933,874	109,721,871	338,101,547	494,054	568,283,313	635,733,201	11,754,792	10,415,860
ENDING FUND BALANCE / NET ASSETS	\$ 439,602,040	\$ 23,491,826	\$ 6,868,996	\$ 540,409,473	\$ 476,761	\$ 1,010,849,216	\$ 1,037,305,304	\$ 134,332	\$ (5,517,709)

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
FOR THE PERIOD ENDED DECEMBER 31, 2010

	<u>BUDGET</u>	<u>DECEMBER 2010</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>% OF BUDGET</u>	<u>DECEMBER 2009</u>
REVENUES					
Local sources:					
Ad valorem taxes	\$ 851,378,731	\$ 684,369,550	\$ (167,009,181)	-19.6%	\$ 701,166,597
Child care fees	21,500,000	9,299,090	(12,200,910)	-56.7%	8,658,910
Course fees	1,845,000	875,584	(969,416)	-52.5%	822,615
Receipt of federal indirect cost rate	6,000,000	2,451,580	(3,548,420)	-59.1%	2,056,427
Interest income	800,000	-	(800,000)	-100.0%	365,102
Miscellaneous	19,304,851	8,678,658	(10,626,193)	-55.0%	9,305,637
Total local sources	<u>900,828,582</u>	<u>705,674,462</u>	<u>(195,154,121)</u>	<u>-21.7%</u>	<u>722,375,287</u>
State sources:					
Florida education finance program	123,642,547	69,125,946	(54,516,601)	-44.1%	57,951,468
Workforce development performance	15,649,317	7,824,660	(7,824,657)	-50.0%	7,399,620
Discretionary lottery	506,860	-	(506,860)	-100.0%	-
Class size reduction	200,258,799	97,212,684	(103,046,115)	-51.5%	89,473,236
School recognition	9,146,725	6,062,180	(3,084,545)	-33.7%	9,146,725
Miscellaneous	4,340,069	1,820,647	(2,519,422)	-58.1%	1,587,792
Total state sources	<u>353,544,317</u>	<u>182,046,117</u>	<u>(171,498,200)</u>	<u>-48.5%</u>	<u>165,558,841</u>
Federal sources:					
Federal impact	6,000	2,992	(3,008)	-50.1%	-
ROTC	600,000	294,496	(305,504)	-50.9%	246,664
Medicaid reimbursement	4,100,000	1,411,784	(2,688,216)	-65.6%	2,929,527
Total federal sources	<u>4,706,000</u>	<u>1,709,273</u>	<u>(2,996,727)</u>	<u>-63.7%</u>	<u>3,176,192</u>
TOTAL REVENUES	<u>1,259,078,899</u>	<u>889,429,852</u>	<u>(369,649,048)</u>	<u>-29.4%</u>	<u>891,110,320</u>
EXPENDITURES:					
Current:					
Instructional services	905,125,109	371,429,461	533,695,648	59.0%	335,359,007
Pupil personnel services	34,413,558	14,288,150	20,125,408	58.5%	12,995,685
Instructional media services	17,703,030	7,394,788	10,308,242	58.2%	6,572,570
Instr & curriculum development services	22,832,124	10,541,729	12,290,396	53.8%	9,973,619
Instructional staff training	13,713,942	5,439,613	8,274,329	60.3%	5,124,490
Instruction related technology	3,980,416	1,579,107	2,401,310	60.3%	1,335,554
Total instructional support services	<u>92,643,071</u>	<u>39,243,387</u>	<u>53,399,685</u>	<u>57.6%</u>	<u>36,001,919</u>
Pupil transportation services	<u>38,515,968</u>	<u>18,377,266</u>	<u>20,138,702</u>	<u>52.3%</u>	<u>17,377,751</u>
Operation of plant	105,843,130	46,410,064	59,433,066	56.2%	46,116,915
Maintenance of plant	69,332,867	28,340,458	40,992,409	59.1%	27,241,968
Total operation & maint of plant	<u>175,175,997</u>	<u>74,750,522</u>	<u>100,425,475</u>	<u>57.3%</u>	<u>73,358,883</u>
School administration	98,137,145	45,670,551	52,466,594	53.5%	42,205,963
Central services	14,963,169	7,309,393	7,653,776	51.2%	6,870,706
Total school administration	<u>113,100,314</u>	<u>52,979,944</u>	<u>60,120,370</u>	<u>53.2%</u>	<u>49,076,669</u>
General administration	6,295,716	3,124,062	3,171,654	50.4%	3,445,210
Fiscal services	5,757,434	2,662,251	3,095,182	53.8%	2,915,714
Board of education	6,609,032	2,275,361	4,333,671	65.6%	2,683,876
Administrative technology services	10,522,752	5,259,720	5,263,032	50.0%	5,072,662
Total general administration	<u>29,184,933</u>	<u>13,321,395</u>	<u>15,863,539</u>	<u>54.4%</u>	<u>14,117,461</u>
Community services and other	<u>37,447,034</u>	<u>13,762,857</u>	<u>23,684,177</u>	<u>63.2%</u>	<u>12,955,328</u>
Facilities acquisition and construction	<u>1,394,747</u>	<u>571,685</u>	<u>823,062</u>	<u>59.0%</u>	<u>285,364</u>
Debt Service:					
Payment of interest	279,921	138,349	141,572	50.6%	451,849
TOTAL EXPENDITURES	<u>1,392,867,094</u>	<u>584,574,865</u>	<u>808,292,229</u>	<u>58.0%</u>	<u>538,984,230</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(133,788,195)</u>	<u>304,854,987</u>	<u>(438,643,182)</u>	<u>327.9%</u>	<u>352,126,090</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	81,125,392	36,380,460	44,744,933	55.2%	34,981,043
Proceeds from loss recoveries	-	1,334,628	(1,334,628)		1,756,341
TOTAL OTHER FIN SOURCES (USES)	<u>81,125,392</u>	<u>37,715,088</u>	<u>43,410,305</u>	<u>53.5%</u>	<u>36,737,384</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FIN USES	<u>(52,662,803)</u>	<u>342,570,074</u>	<u>(395,232,877)</u>	<u>750.5%</u>	<u>388,863,474</u>
BEGINNING FUND BALANCE	<u>97,031,967</u>	<u>97,031,967</u>			<u>92,411,299</u>
ENDING FUND BALANCE	<u>\$ 44,369,164</u>	<u>\$ 439,602,040</u>			<u>\$ 481,274,773</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

- (1) The School District budgets 96% of the property taxes levied, as allowed by state statute, as revenue in all applicable funds. The District has not accrued 96% of the taxes levied, the Florida Education Finance Program revenues or other state categorical program revenues in the interim financial statements.
- (2) The modified accrual basis of accounting is utilized by all funds except for the proprietary funds and the interim financial statements are presented utilizing this basis of accounting.
 - (a) Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period and available to liquidate current liabilities.
 - (b) Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for un-matured interest on general long-term debt, which is recognized when the interest is due.