

Annual Debt Report

for the year ended June 30, 2007



Executive Summary

In April of 2004, the School Board adopted a Debt Management policy. The purpose of the policy is to establish guidelines for the implementation and management of debt. Additionally, the School Board established the Finance Committee in 2001. The Committee, which is comprised of volunteers with significant experience in financial services, reviews and provides input on all financing transactions. In accordance with the policy, this report has been prepared to summarize the outstanding debt and hedges of the School District.

The School District's debt can be categorized as long-term and short-term. The District uses long-term debt, such as General Obligation Bonds and Certificates of Participation, to finance the purchase or construction of assets. Short-term debt, including Tax Anticipation Notes and Commercial Paper, is used to manage cash flows for operating and capital purposes. The District has also used hedges, or swaps, to reduce the borrowing costs associated with long-term debt.

A summary of all debt and hedges can be found on pages 14 – 16 of this report. The following pages provide a summary of each type of debt as well as the activity for the fiscal year ended June 30, 2007.

Long Term Debt

Capital Leases

General Information: The School District has one equipment lease. It is to purchase equipment related to the installation of new telephone/data systems for all District locations, is with CIT leasing was implemented during FY2006. The lease is for \$6.1 million with a term of 3 years with annual payments due at the beginning of each year. The interest rate on the lease is 0%.

FY 2007 Summary: Principal payments totaling \$2.2 million were made during the fiscal year. The final payment on the lease, \$2.2 million, is due in March 2008.

Capital Outlay Bond Issues

General Information: Known as COBI, these bonds are issued by the State of Florida on behalf of the School District. The State collects funds from vehicle licenses and forwards a portion to School Districts as revenue known as CO&DS (Capital Outlay and Debt Service). School Districts may choose to allow the State to bond their portion of the revenue via the COBI program. DOE required districts to participate in order to receive the Classrooms First monies from 1999 to 2003. Beginning in 2004, that was no longer required. Palm Beach Schools has not participated in the program since 2003.

FY 2007 Summary: During FY2007, \$3.8M of principal payments was made on the outstanding COBIs. As of June 30, 2007, there was currently \$38.58M outstanding for Palm Beach Schools. The District's next principal payment of \$2.7M will occur on January 1, 2008.

Long Term Debt

Certificates of Participation

General Information: COPS were first issued by the District in 1994. This has been the District's primary method of financing school construction. As of June 30, 2007, there was \$1.89 billion outstanding. A listing of all COP issues, which details the projects financed, can be found on pages 18 – 23 of this report. The majority of the COP issues were issued as fixed rate debt. Two issues, Series 2002B and 2003B are VRDOs or variable rate demand bonds. The rates on these certificates are reset weekly, but have been fixed using interest rate swaps. Series 2007B are ARCs or Auction Rate Certificates. The interest rate of these certificates is also reset weekly via on a Dutch auction. Three firms participate in the auction each week to ensure the best possible interest rate.

The District's debt policy indicates that the lease payments associated with COPs shall not exceed 50% of the authorized capital outlay millage. For FY 2007, the actual percentage was 46%. The projected percentages for FY 2008 and 2009 are 47.10% and 49.00% respectively. These percentages are based on a growth rate for taxable property values of 4.5% and do not consider the possible impact of tax reform. A graphical representation of this information can be found on page 25.

FY 2007 Summary: The District issued two "new money" COP issues in FY 2007. Series 2007A was issued in February 2007 as a fixed rate transaction with a par amount of \$268 million. Series 2007B was issued in March 2007 as auction rate certificate with weekly rate resets with a par amount of \$119.4 million. These transactions provided funding for 1 new school, 6 school modernizations, 4 additions and the acquisition of property needed for future projects.

The District also completed two "refunding" COP issues in FY 2007. Series 2007C was issued in February 2007 to refund portions of series 2001A and 2002C. The NPV savings of the transaction was \$7,920,411 or 4.25%. Series 2007D was issued in April 2007 to refund a portion of the 1994A series. The NPV savings of the transaction was \$1,261,120, or 4.08%.

In March 2007, the contracts for liquidity associated with the two VRDO issues were renegotiated. The cost was reduced from 16 and 20 bps to 12 bps. The cost reduction equates to savings of approximately \$772,000 over the next five years.

Long Term Debt

Certificates of Participation (cont'd)

The District paid \$37.6M of outstanding principal in FY2007. As of June 30, the remaining principal was \$1.89 billion. The FY 2007 principal payment of \$37.6 million was recorded in August 2007. The District issued Series 2007E in October 2007 as a fixed rate transaction with a par amount of \$147.3 million. The current outstanding principal balance for COPs is \$2.0 billion.

Qualified Zone Academy Bonds

General Information: For the School District, a QZAB is essentially an interest-free loan. A bank will purchase the bonds; and the Federal Government pays the interest in the form of a tax credit to the bank. The documentation is similar to a COP issue and does require a supplement to our Master Lease. The transaction is also included in the calculation of our COP capacity. The bonds are generally structured with annual payments over a twelve to sixteen-year period. The bonds are paid in full at maturity, but the District is required to transfer a principal payment to an escrow account annually. The District has issued three QZABs to date totaling \$6 million.

FY 2007 Summary: During FY 2007, \$322,604.02 was transferred to the escrow accounts. Principal due to be transferred to the escrow accounts over the remaining life of the transactions is \$4,030,052.12.

General Obligation Bonds

General Information: GO Bonds were issued by the District in 1987 and 1989 after the approval of a Bond Referendum in 1986. The total issue amount was \$317 million. These bonds were refunded in 1994 and again in 2002. The principal and interest associated with these bonds is paid by taxpayers via an ad valorem tax. The final levy for these bonds was in 2006, with the final payment made in August 2007.

FY2007 Summary: The District paid \$6.1M of outstanding principal in FY2007. As of June 30, 2007 the remaining principal was \$27.7M. The final principal payment of \$27.7M was recorded in August 2007.

Short Term Debt

Tax Anticipation Notes

General Information: Issued annually to finance operations prior to the receipt of ad valorem taxes.

FY2007 Activity: \$85 million was issued in October 2006 and was outstanding as of June 30, 2007. The coupon rate of the note was 4% with a net interest cost of 3.53%. The issue was paid in full on September 25, 2007.

A new TAN issue for \$115 million was sold in September 2007 with a coupon rate of 4% and a net interest cost of 3.45%. The amount issued was increased over the prior year due to the projected timing of state and local revenues.

Commercial Paper

General Information: In November 2004, the voters of Palm Beach County approved a half cent sales surtax to provide \$560 million for school construction projects. The tax was collected beginning in January 2005 and will continue for no more than 6 years. While the revenues are generated over a six year period, construction costs are concentrated in the first three (3) years. A Commercial Paper (CP) program was established in February 2005 with an underlying 3-year letter of credit. The Letter of Credit was subsequently extended through the end of the program. Proceeds from the CP with the Sales Tax revenues will be used to complete the \$560 million of projects. The sales tax revenues received after year 3 will be used to complete projects and pay off the outstanding CP.

CP is sold for periods up to 270 days. Securities are paid in full upon maturity via a letter of credit and then re-issued for a similar term.

FY2007 Activity: \$250M of CP was issued in 2005 and is still outstanding as of June 30, 2007. The Letter of Credit was extended to January 15, 2011 at the same rate of 16.75 bps. Total interest earnings for this program to date are \$20,351,105 and the interest cost is \$17,421,399. A summary of the outstanding Commercial Paper is on page 26.

Hedges

General Information:

The School District uses various types of hedges, or swaps, to reduce the borrowing costs associated with long-term debt. Simply stated, a swap is a financial contract between two parties, or “counterparties”. Swaps are a type of derivative, i.e. its price is *derived from* the price of an underlying index, bond rate, etc. For example, the District has used interest rate swaps to convert variable rate debt to a “synthetic” fixed rate, thus reducing the overall borrowing cost. A summary and graphical representation of each transaction can be found on pages 8 – 12.

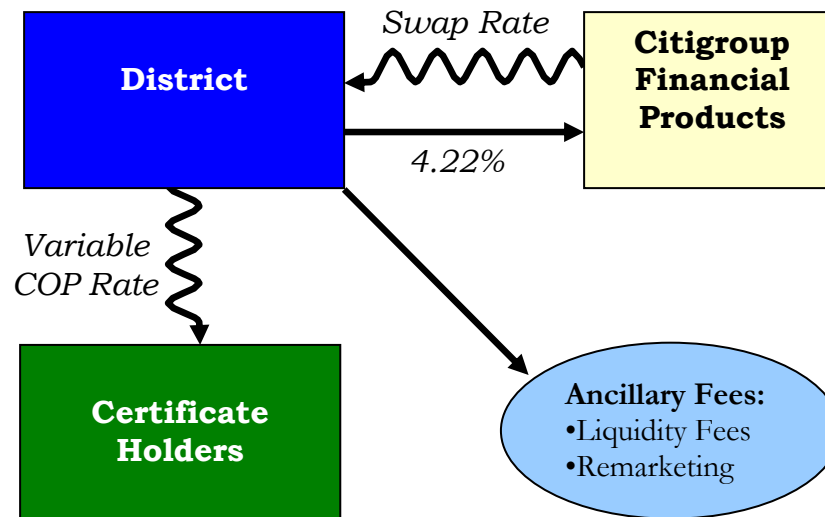
FY2007 Summary:

A \$100MM Constant Maturity Swap was executed in September 2006. The transaction became effective on June 30, 2007. Details of the transaction can be found on page 12.

Hedges

Floating-to-Fixed Cancelable Interest Rate Swap

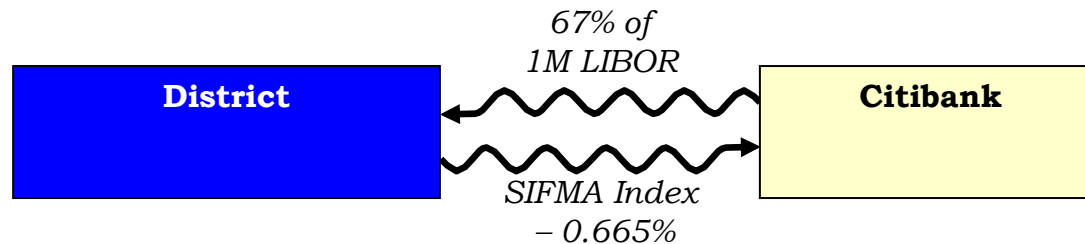
In March 2002, the District issued variable rate COPs, Series 2002B, with a par amount of \$115.3 million. The District chose to enter into a floating-to-fixed cancelable interest rate swap, effective through August 1, 2027, to hedge against future increases in interest rates. The swap effectively converted the 2002B certificates into 25 year synthetic fixed rate debt obligations with a coupon of 4.22%. In exchange for an upfront premium payment of \$6.1 million received by the District, the swap counterparty has the right to cancel the swap on any date on or after February 1, 2007. In the event the swap is terminated, the District will be exposed to potentially higher interest rate payments on the 2002B certificates. In exchange for an additional reduction in the fixed rate paid by the District on the swap, the counterparty has the right to pay a lower Alternate Floating Rate equal to 67% of 1 month London Interbank Offering Rate ("LIBOR"). The counterparty can pay this lower Alternate Rate if the 180-day average of the Securities Industry and Financial Markets Association ("SIFMA")/LIBOR ratio exceeds 67%. The most likely cause of an increase in the tax-exempt/taxable yield relationship would be legislation reducing the tax advantage of municipal debt, i.e. a tax cut. The Alternate Floating Rate was triggered in September 2002. The Certificates and swap together create low cost, long-term synthetic fixed-rate debt for the District. At June 30, 2007, the swap had a negative fair value of \$8,296,691 based on mid-market values as of the close of business. *As of June 30, 2007, the District has saved a total of \$9.1 million as a result of this transaction.* This savings is calculated by comparing the net payments to date to the payments that would have been made had the District issued traditional fixed rate debt.



Hedges

\$100 Million Fixed Margin Basis Swap

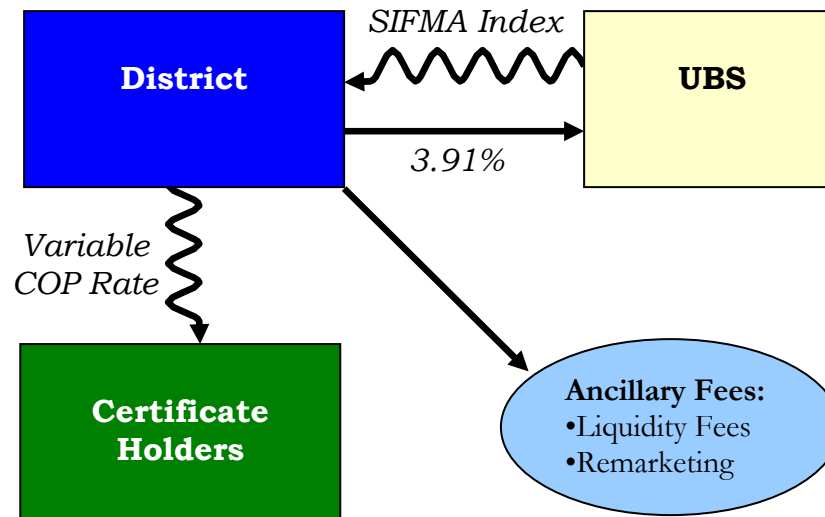
In June 2003, the District entered into a 25.5 year floating-to-floating interest rate swap in connection with the issuance of \$191.215 million of fixed-rate Certificates of Participation, Series 2002D. The swap notional principal amortizes to match the final \$100 million of maturing principal of the underlying Certificates. The swap creates economics similar to a 67% of LIBOR synthetic fixed-rate financing, i.e. variable-rate bonds plus floating-to-fixed rate swap, without the District having to actually issue the underlying variable-rate bonds. Under the basis swap, in exchange for receiving a below-market percentage of LIBOR, the District pays a variable rate equal to the SIFMA Index less a fixed margin of 66.5 basis points. The swap produces expected present value (“PV”) savings of \$10.68 million based on an assumed future average ratio of SIFMA Index to 1-month LIBOR of 67%. Since the District both receives and pays a variable rate under the basis swap, the transaction is interest rate neutral, all else equal. However, the District does bear risk of a future reduction or elimination in the benefit of the tax exemption for municipal debt. For example, a tax cut would likely increase the variable rate paid by the District under the swap and reduce or eliminate (in a worst case scenario) the swap’s expected positive cash flow and PV savings. However, the risk of radical tax reform that would severely reduce or eliminate the swap’s savings is deemed to be relatively low. At June 30, 2007, the swap had a positive fair value of \$3,883,559 based on mid-market values as of the close of business. *As of June 30, 2007, the District has saved a total of \$2.3 million as a result of this transaction.*



Hedges

Floating-to-Fixed Knockout Interest Rate Swap

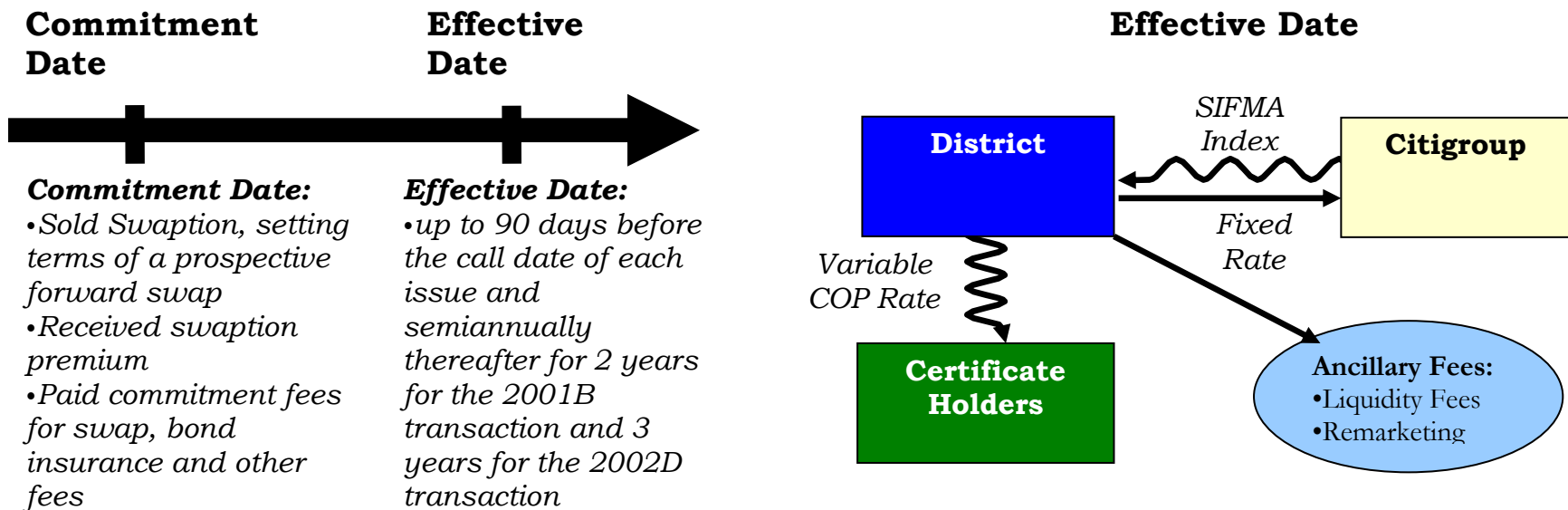
In June 2003 the District issued variable rate COPs, Series 2003B, with a par value of \$124.3 million. The District entered into a floating-to-fixed knockout interest rate swap, effective through August 1, 2029, to hedge against future increases in interest rates. The swap will effectively convert the Certificates into a synthetic fixed rate debt obligation with a coupon of 3.91%. In exchange for an upfront premium payment of \$3,010,000 received by the District, the swap counterparty has the right to terminate “knockout” the swap if the 180 day average of the SIFMA Index exceeds 7.0% in the future. In the event the swap is terminated, the District will be exposed to higher interest rate payments on the certificates. The knockout feature is exercisable anytime until August 1, 2018. Once the knockout option expires the District will be left with a fixed-payer swap that matures on August 1, 2029. The certificates and knockout swap together create low cost, long-term synthetic fixed-rate debt for the District. At June 30, 2007, the swap had a negative fair value of \$49,994.18 based on mid-market values as of the close of business. *As of June 30, 2007, the District has saved a total of \$5.3 million as a result of this transaction.* This savings is calculated by comparing the net payments to date to the payments that would have been made had the District issued traditional fixed rate debt.



Hedges

Swaptions

In connection with the anticipated future issuance of \$116,550,000 of variable-rate bonds to refund outstanding Certificates of Participation, Series 2002D and \$162,980,000 of variable-rate bonds to refund outstanding Certificates of Participation, Series 2001B, on August 10 and August 16, 2005 respectively, the District sold two options (“Swaptions”) on floating-to-fixed SIFMA interest rate swaps to Citibank, NA. The upfront gross premium amounts for the sale of the 2002D and 2001B swaptions were \$4,240,000 and \$6,250,000 respectively. Net of transaction costs and anticipated future costs of issuance, the estimates savings are \$3,426,073 and \$5,215,049, respectively, exceeding its targeted premium levels. The Swaption sales allowed the District to achieve a synthetic forward refunding of the Bonds to lock in savings based on current market conditions. Under U.S. tax law, the 2002D and 2001B Bonds were not eligible for a traditional current refunding until May 1, 2012 and May 1, 2011, respectively. The terms of the Swaptions were structured to mirror the terms on the optional redemption features on the 2002D and 2001B COPs. At June 30, 2007, the swap had a negative fair value of \$11,708,701 based on mid-market values as of the close of business. *As of June 30, 2007, the District has saved a total of \$10.4 million as a result of this transaction.*



Hedges

Constant Maturity Swap

In connection with its outstanding Certificates of Participation Series 2002D, the District executed a forward-starting floating-to-floating or basis swap with UBS on September 13, 2006. The transaction consisted of a \$100 million constant maturity swap effective June 30, 2007 whereby the District pays UBS 67% of 1-month LIBOR in exchange for receiving 59.93% of the 10-year Constant Maturity Swap (“CMS”) rate. The maturity date is June 30, 2028. The “flat” shape of the yield curve provided an opportunity a swap the 1-month rate to a 10-year rate. *Assuming the yield curve reverts to its normal positive slope, the District should earn a higher benefit as compared to the short-term swap index. If the yield curve remains flat or inverts (short-term rates exceed long-term rates), the District could incur negative cash flow on the Basis Swap. At June 30, 2007, the swap had a negative fair value of \$1,632,788 based on mid-market values as of the close of business. This transaction became effective on June 30, 2007 and therefore did not produce positive or negative cash flows during FY 2007.*



Debt Ratings

The School District works with the three national rating agencies to provide an accurate credit rating. This is important as it impacts the interest costs associated with long term borrowing. While a change in ratings may not have a direct impact on the cost of existing fixed rate debt, it would immediately impact the cost of variable rate debt and all future debt issuances. The District's current ratings are shown below and are among the highest for School Districts in the state of Florida. An explanation of the rating definitions can be found on pages 26-28.

Rating Agency	Short Term Notes	Long Term - General Obligation Bonds	Long Term - Certificates of Participation
Moody's	MIG 1	Aa3, Stable Outlook	A1, Stable Outlook
Standard and Poor's	SP-1+	AA, Stable Outlook	AA-, Stable Outlook
Fitch	not rated	AA-, Stable Outlook	A+, Stable Outlook

SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA
SUMMARY OF OUTSTANDING OBLIGATIONS
AS OF 06/30/07

Series	Issue Date	Original Principal Amount	Principal Outstanding as of 06/30/07	Final Maturity	Fixed or Variable	Interest Rates	Insurer / Credit Enhancement	Call Provisions	Purpose/ Comments	Hedged?	Variable Rate Obligation Only			
											Liquidity Provider	Liquidity	Mode	Remarketing or Broker Dealer Fee
CERTIFICATES OF PARTICIPATION														
1997A	09/01/97	47,145,000	7,110,000	08/01/15	F	3.75% - 5.25%	MBIA	8/1/07 @ 101 8/1/08 @ 100.5 8/1/09 @ 100	Refunded 94A, Escrow paid 94A in 08/04; Refunded by 07D	no				
2001A	04/01/01	135,500,000	3,450,000	08/01/26	F	3.0% - 5.5%	Ambac	8/1/11 @ 101 8/1/12 @ 100	Partially refunded by 05A, 07C	no				
2001B	06/01/01	169,445,000	166,870,000	08/01/25	F	2.70% - 5.375%	Ambac	8/1/11 @ 101 8/1/12 @ 100	Refunded 00A, Funds in Escrow, Maturities 8/16-8/25 have Swaption	no				
2002A	02/01/02	115,250,000	63,055,000	08/01/18	F	2.50% - 5.375%	FSA	8/1/12 @ 100 (maturing after 8/1/14)	Partially refunded by 05A	no				
2002B	03/20/02	115,350,000	115,350,000	08/01/27	V	4.22% (swap rate)	FSA	Any time		yes	Dexia	.12% of Bond Value	Weekly	.08% of Bond Value Y
2002C	05/15/02	161,090,000	20,710,000	08/01/27	F	2.40% - 5.50%	FSA	8/1/12 @ 100	Partially refunded by 05A, 07C	no				
2002D	12/01/02	191,215,000	160,985,000	08/01/28	F	2.0% - 5.25% (net of swap payments)	FSA	8/1/12 @ 100	Partially refunded by 05A, Maturities 13-14, 17-18, 21-22 (5.25% coupon) and 23-28 have Swaption	yes				N (Basis Swap)
2002E	09/01/02	93,350,000	93,350,000	08/01/16	F	4.0% - 5.375%	Ambac	Non Callable	Refunded 95A & 96A, 95A refunded 08/05, 96A refunded 08/06	no				
2002Q	06/11/02	950,000	610,714	06/11/16	F	0.00%	None	Non Callable		no				
2003A	06/26/03	60,865,000	52,875,000	08/01/21	F	2.0% - 5.0%	Ambac	8/1/13 @ 100		no				
2003B	06/26/03	124,295,000	124,295,000	08/01/29	V	3.91% (swap rate)	Ambac	Any time		yes	Dexia	.12% of Bond Value	Weekly	.08% of Bond Value Y
2004A	05/04/04	103,575,000	98,375,000	08/01/29	F	2.0% - 5.0%	FGIC	8/1/14 @ 100		no				
2004Q	04/30/04	2,923,326	1,912,541	05/04/20	F	0.00%	None	Non Callable		no				
2005A	03/22/05	124,630,000	124,455,000	08/01/22	F	3.00% - 5.00%	FSA	8/1/15 @ 100	Refunded select 01A, 02A, 02C & 02D, Funds in Escrow	no				
2005B	06/07/05	38,505,000	31,395,000	08/01/10	F	3.00% - 5.00%	FSA	Non Callable		no				
2005Q	12/15/05	2,150,308	1,506,798	12/15/20	F	0.00%	None	Non Callable		no				
2006A	05/25/06	222,015,000	222,015,000	08/01/31	F	3.625% - 5.00%	FSA	8/1/16 @ 100		no				
2007A	02/26/07	268,545,000	268,545,000	08/01/31	F	3.60% - 5.50%	FGIC	8/1/17 @ 100		no				
2007B	03/22/07	119,400,000	119,400,000	08/01/25	V	7 day auction rate	FGIC	Any time		no		Auction Rate Weekly		.25% of Bond Value N
2007C	03/22/07	192,310,000	192,310,000	08/01/27	F	4.0% - 5.0%	Ambac	8/1/17 @ 100	Refunded select 01A and 02C	no				
2007D	05/03/07	30,485,000	30,485,000	08/01/15	F	4.8% - 5.25%	MBIA	Non Callable	Refunded 97A	no				
Total COPS		2,351,148,634	1,899,060,053											

SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA
SUMMARY OF OUTSTANDING OBLIGATIONS
AS OF 06/30/07

												<i>Variable Rate Obligation Only</i>				
Series	Issue Date	Original Principal Amount	Principal Outstanding as of 06/30/07	Final Maturity	Fixed or Variable	Interest Rates	Insurer / Credit Enhancement	Call Provisions	Purpose/ Comments	Hedged?	Liquidity Provider	Liquidity	Mode	Remarketing or Broker Dealer Fee	Swapped to Fixed?	
GENERAL OBLIGATION BONDS																
2002	05/07/02	98,490,000	21,665,000	08/01/07	F	5.00%	MBIA	None	Refunded 92A	no						
2002A	04/15/02	28,200,000	6,100,000	08/01/07	F	3.50% - 5.0%	FGIC	None	Refunded 93A	no						
Total GOBs		126,690,000	27,765,000													
OTHER OBLIGATIONS																
TANS	10/04/06	85,000,000	85,000,000	09/25/07	F	4.00%	None	None		no						
Capital Lease	02/01/06	6,474,602	2,158,201	02/01/08	F	0.00%	None	None		no						
Commercial Paper	various	250,000,000	250,000,000	12/31/10	V	3.64% - 3.78%		Any time	Sales Tax Program	no	LOC Bank of America and Wachovia	0.1675%	varies	0.05%	N	
Total Other Items		341,474,602	337,158,201													
CAPITAL OUTLAY BOND ISSUES (ISSUE BY STATE OF FLORIDA)																
1998A	02/01/98	2,510,000	115,000	01/01/18	F	4.00% - 5.50%										
1999A	03/01/99	2,650,000	1,990,000	01/01/19	F	4.00% - 4.75%										
2000A	03/16/00	1,650,000	225,000	01/01/20	F	4.65% - 6.00%										
2002A	04/15/02	2,845,000	2,440,000	01/01/22	F	3.00% - 5.00%										
2002B	07/15/02	6,815,000	5,355,000	01/01/15	F	3.375% - 5.375%										
2003A	07/15/03	6,050,000	5,550,000	01/01/23	F	3.00% - 5.00%										
2005A	05/01/05	21,200,000	20,245,000	01/01/17	F	3.00% - 5.00%										
2005B	07/01/05	2,675,000	2,660,000	01/01/20	F	3.50% - 5.00%										
Total COBIs		86,145,000	38,580,000													
Grand Total		2,905,458,236	2,302,563,254													

**SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA
SUMMARY OF HEDGES
AS OF 06/30/07**

Issue/Series	Counterparty	Notional Amount	Structure (fixed to variable, variable to fixed, basis, etc.)	Execution Date	Start Date	End Date	Credit Enhancement / Collateral Requirements (Policy #)	Options / Unique Features	Mark to Market 6/30/07	Upfront Payment	Total Savings as of 6/30/07
2002B	Citigroup Financial Products Inc	115,350,000	Variable to Fixed	3/20/2003	3/20/2003	8/1/2027	Insured/FSA	Cancelable on or after 02/01/2007	(8,296,961)	6,142,000	9,097,147
2002D	Citibank, N.A.	100,000,000	Basis	1/14/2003	1/14/2003	6/30/2028	Insured/FSA	Board receives 67% LIBOR and pays BMA minus 66.5 bps.	3,883,559	-	2,251,093
2003B	UBS AG, Stamford Branch	124,295,000	Variable to Fixed	6/26/2003	6/26/2003	8/1/2029	Insured/Ambac	Cancelable if the Average Rate (BMA) exceeds seven percent for six months. Option expires 08/01/18.	(49,994)	3,010,000	5,333,638
2002D	Citibank, N.A.	116,555,000	Swaption - Variable to Fixed	8/10/2005	TBD	8/1/2028	Insured/FSA	Exercise dates are semi-annual from 08/01/12 through 02/01/14	(5,187,098)	4,240,000	4,240,000
2001B	Citibank, N.A.	162,980,000	Swaption - Variable to Fixed	8/16/2005	TBD	8/1/2025	Insured/Ambac	Exercise dates are semi-annual from 08/01/11 through 02/01/14	(6,521,603)	6,250,000	6,250,000
2002D	UBS AG, Stamford Branch	100,000,000	CMS - Basis	9/13/2006	6/30/2007	6/30/2028	Insured/FSA (27121-NS)	Forward starting date of 6/30/07	(1,632,788)	-	-
Total		719,180,000							(17,804,886)	19,642,000	27,171,878



School District of Palm Beach County

Summary of COPS Funded Projects

as of 06/30/07

Debt Issue	Insurer	Facility	Total Project Costs	Outstanding Debt as of 06/30/07
COPS 1994A	AMBAC	Outstanding Debt COPS 1994A		-
COPS 1994A	MBIA	Outstanding Debt COPS 1997A		7,110,000
COPS 1994A	MBIA	Outstanding Debt COPS 2007D		30,485,000
COPS 1994A		Indian Ridge Learning Center***	3,485,548	
COPS 1994A		Orchard View Elem (91-I)	10,995,480	
COPS 1994A		Pioneer Park Elem (91-D)	11,321,380	
COPS 1994A		Roosevelt Middle (91-KK)	17,624,681	
COPS 1994A		Woodlands Middle (91-LL)	17,935,163	
COPS 1994A Total			61,362,253	37,595,000
COPS 1995A	AMBAC	Outstanding Debt COPS 1995A		-
COPS 1995A	AMBAC	Outstanding Debt COPS 2002E		73,590,000
COPS 1995A		Belle Glade Elem (91-T)	11,193,520	
COPS 1995A		Dreyfoos Sch. of the Arts, old Bldg #6 (new Bldg#4)	3,045,157	
COPS 1995A		Dreyfoos Sch. of the Arts, old Bldg #8 (new Bldg #7)	8,837,351	
COPS 1995A		Golden Grove Elem (91-O)	11,330,499	
COPS 1995A		Lake Worth High, New Classroom Bldg #28	6,625,000	
COPS 1995A		Morikami Elem (91-S)	11,709,039	
COPS 1995A		Okeeheelee Middle (91-EE)	16,156,726	
COPS 1995A		Poinciana Elem Replacement	9,781,388	
COPS 1995A		Royal Palm High(91-HHH)	41,160,764	
COPS 1995A		Starlight Cove Elem (91-C)	9,062,327	
COPS 1995A		Water's Edge Elem (91-V)	9,145,947	
COPS 1995A Total			138,047,717	73,590,000



School District of Palm Beach County

Summary of COPS Funded Projects

as of 06/30/07

Debt Issue	Insurer	Facility	Total Project Costs	Outstanding Debt as of 06/30/07
COPS 1996A	AMBAC	Outstanding Debt COPS 1996A		-
COPS 1996A	AMBAC	Outstanding Debt COPS 2002E		19,760,000
COPS 1996A		Eagles Landing Middle (91-MM)	17,644,855	
COPS 1996A		Western Pines Middle (91-JJ)	15,613,207	
COPS 1996A Total			33,258,062	19,760,000
COPS 2000A	FGIC	Outstanding Debt COPS 2000A		-
COPS 2000A	AMBAC	Outstanding Debt COPS 2001B		166,870,000
COPS 2000A		Beacon Cove Elem (96-A)	10,716,391	
COPS 2000A		Independence Middle (98-FF)	18,928,821	
COPS 2000A		Jupiter High Modernization	50,044,875	
COPS 2000A		Lake Park Elem Modernization	8,574,167	
COPS 2000A		Pahokee Elem, Classroom Bldg	6,221,500	
COPS 2000A		Palmetto Elem Modernization	11,301,424	
COPS 2000A		Village Academy (98-P)	6,920,300	
COPS 2000A		Palm Beach Central High (96-JJJ)	41,435,322	
COPS 2000A Total			154,142,800	166,870,000



School District of Palm Beach County

Summary of COPS Funded Projects

as of 06/30/07

Debt Issue	Insurer	Facility	Total Project Costs	Outstanding Debt as of 06/30/07
COPS 2001A	AMBAC	Outstanding Debt COPS 2001A		3,450,000
COPS 2001A	FSA	Outstanding Debt COPS 2005A		50,235,000
COPS 2001A	AMBAC	Outstanding Debt COPS 2007C		78,540,000
COPS 2001A		Boca Raton Elem Modernization	9,579,409	
COPS 2001A		Freedom Shores Elem (97-M)	11,804,410	
COPS 2001A		Crosspointe Elem (98-I)	15,403,960	
COPS 2001A		Discovery Key Elem (96-L)	11,885,410	
COPS 2001A		Forest Hill Elem Modernization	12,093,960	
COPS 2001A		Frontier Elem (96-B)	12,296,160	
COPS 2001A		Lake Worth High, Classroom Addition	4,524,000	
COPS 2001A		Benoist Farms Elem (96-D)	14,760,540	
COPS 2001A		Pleasant City Area Elem (98-N)	11,246,911	
COPS 2001A		Portable Replacement	7,000,000	
COPS 2001A		Sunrise Park Elem (96-H)	11,406,160	
COPS 2001A		Royal Palm Beach Elem (96-J)	12,142,460	
COPS 2001A Total			134,143,380	132,225,000



School District of Palm Beach County

Summary of COPS Funded Projects

as of 06/30/07

Debt Issue	Insurer	Facility	Total Project Costs	Outstanding Debt as of 06/30/07
COPS 2002A	FSA	Outstanding Debt COPS 2002A		63,055,000
COPS 2002A	FSA	Outstanding Debt COPS 2005A		27,635,000
COPS 2002A		Central Bus Compound	8,014,788	
COPS 2002A		Dreyfoos Of Arts, New Cafeteria and Gymnasium Remodel	5,889,374	
COPS 2002A		Furnishings	6,300,000	
COPS 2002A		Relocatable Classrooms	7,000,000	
COPS 2002A		Site Acquisition	22,829,991	
COPS 2002A		Park Vista Community High (91-EEE)	66,596,572	
COPS 2002A Total			116,630,725	90,690,000
COPS 2002B	FSA	Outstanding Debt COPS 2002B		115,350,000
COPS 2002B		Belvedere Elem Modernization	12,628,251	
COPS 2002B		Greenacres Elem Modernization	12,158,098	
COPS 2002B		Jupiter Elem Modernization	12,919,394	
COPS 2002B		Lantana Middle Modernization	21,353,292	
COPS 2002B		Site Acquisition	19,500,000	
COPS 2002B		South Olive Elem Modernization	14,153,421	
COPS 2002B		Jaega Middle (98-EE)	21,341,198	
COPS 2002B Total			114,053,654	115,350,000



School District of Palm Beach County

Summary of COPS Funded Projects

as of 06/30/07

Debt Issue	Insurer	Facility	Total Project Costs	Outstanding Debt as of 06/30/07
COPS 2002C	FSA	Outstanding Debt COPS 2002C		20,710,000
COPS 2002C	FSA	Outstanding Debt COPS 2005A		25,305,000
COPS 2002C	AMBAC	Outstanding Debt COPS 2007C		113,770,000
COPS 2002C		Equestrian Trails Elementary (02-S)	13,706,487	
COPS 2002C		Diamond View Elementary (01-R)	13,706,101	
COPS 2002C		Panther Run Addition and HVAC Replacement	10,555,484	
COPS 2002C		West Boca Raton Community High (01-LLL)	52,114,137	
COPS 2002C		Forest Hill High Modernization	50,676,112	
COPS 2002C		U.B. Kinsey/Palmview Elem Modernization	13,102,337	
COPS 2002C		Village Academy Addition	4,434,591	
COPS 2002C Total			158,295,249	159,785,000
COPS 2002D	FSA	Outstanding Debt COPS 2002D		160,985,000
COPS 2002D	FSA	Outstanding Debt COPS 2005A		21,280,000
COPS 2002D		Osceola Creek Middle (99-HH)	24,582,077	
COPS 2002D		Don Estridge High Tech Middle Middle (98-GG)	25,147,683	
COPS 2002D		H. L. Watkins Middle Modernization	22,492,448	
COPS 2002D		Lantana Elementary Modernization	13,042,053	
COPS 2002D		Palm Beach Public Elementary Modernization	13,367,632	
COPS 2002D		Palm Springs Elementary Modernization	17,595,377	
COPS 2002D		Roosevelt Elementary Modernization	17,483,238	
COPS 2002D		Tradewinds Middle (98-II)	34,947,826	
COPS 2002D		Portable/Modular Replacement	7,000,000	
COPS 2002D		Site Acquisition	17,500,000	
COPS 2002D Total			193,158,334	182,265,000



School District of Palm Beach County

Summary of COPS Funded Projects

as of 06/30/07

Debt Issue	Insurer	Facility	Total Project Costs	Outstanding Debt as of 06/30/07
COPS 2002Q		Outstanding Debt COPS 2002 QZAB		610,714
COPS 2002Q		Furniture and Equipment for Palmetto Elem	950,000	
COPS 2002Q Total			950,000	610,714
COPS 2003A	AMBAC	Outstanding Debt COPS 2003A		52,875,000
COPS 2003A		William T. Dwyer Addition	5,500,000	
COPS 2003A		Seminole Ridge High (02-NNN)	54,254,517	
COPS 2003A Total			59,754,517	52,875,000
COPS 2003B	AMBAC	Outstanding Debt COPS 2003B		124,295,000
COPS 2003B		Atlantic High Replacement	67,231,936	
COPS 2003B		Bak Middle of the Arts Modernization	30,131,289	
COPS 2003B		LC Swain Middle (03-KK)	29,679,027	
COPS 2003B		Portable/Modular Replacement	6,006,615	
COPS 2003B Total			133,048,867	124,295,000
COPS 2004A	FGIC	Outstanding Debt COPS 2004A		98,375,000
COPS 2004A		Coral Sunset Elem Addition and HVAC Replacement	9,941,076	
COPS 2004A		Hammock Pointe Elem Addition and HVAC Replacement	13,134,972	
COPS 2004A		JC Mitchell Elem Modernization	20,993,903	
COPS 2004A		Meadow Park Elem Modernization	16,743,972	
COPS 2004A		Relocatable Classrooms	11,000,000	
COPS 2004A		SD Spady Elem Modernization	14,604,685	
COPS 2004A		Site Acquisition	17,248,000	
COPS 2004A Total			103,666,608	98,375,000



School District of Palm Beach County

Summary of COPS Funded Projects

as of 06/30/07

Debt Issue	Insurer	Facility	Total Project Costs	Outstanding Debt as of 06/30/07
COPS 2004Q		Outstanding Debt COPS 2004 QZAB		1,912,541
COPS 2004Q		Equipment for Palm Beach Public Elem	172,600	
COPS 2004Q		Equipment for Forest Hill High	1,980,726	
COPS 2004Q		Equipment for Palm Springs Middle	770,000	
COPS 2004Q Total			2,923,326	1,912,541
COPS 2005B	FSA	Outstanding Debt COPS 2005B		31,395,000
COPS 2005B		ERP System	19,062,031	
COPS 2005B		Oak Grove Alternative Schools (formerly CEP) *	11,882,420	
COPS 2005B		Indian Ridge Modernization *	8,117,580	
COPS 2005B Total			39,062,031	31,395,000
COPS 2005Q		Outstanding Debt COPS 2005 QZAB		1,506,798
COPS 2005Q		Audio Enhancement Equipment for 27 schools	2,150,308	
COPS 2005Q Total			2,150,308	1,506,798
COPS 2006A	FSA	Outstanding Debt COPS 2006A		222,015,000
COPS 2006A		Barton Elementary Modernization *	23,408,266	
COPS 2006A		D. D. Eisenhower Elem Modernization *	27,593,001	
COPS 2006A		Palm Beach Gardens Area Elem (03-X) *	23,419,951	
COPS 2006A		Palm Beach Gardens High Modernization *	97,109,098	
COPS 2006A		Rolling Green Elementary Modernization *	25,712,891	
COPS 2006A		Modular Classrooms	25,000,000	
COPS 2006A		Voice/Data Equipment	3,430,100	
COPS 2006A Total			225,673,307	222,015,000



School District of Palm Beach County

Summary of COPS Funded Projects

as of 06/30/07

Debt Issue	Insurer	Facility	Total Project Costs	Outstanding Debt as of 06/30/07
COPS 2007A	FGIC	Outstanding Debt COPS 2007A		268,545,000
COPS 2007A		CO Taylor Elem Modernization*	43,486,782	
COPS 2007A		Roosevelt Mid Classroom Addition *	8,649,176	
COPS 2007A		Royal Palm School Modernization*	44,433,306	
COPS 2007A		Site Acquisition	58,563,546	
COPS 2007A		Suncoast High School Modernization*	88,442,712	
COPS 2007A		Furnishings for 2007B Projects	3,402,602	
COPS 2007A		Westward Elem Modernization*	32,084,676	
COPS 2007A Total			279,062,800	268,545,000
COPS 2007B	FGIC	Outstanding Debt COPS 2007B		119,400,000
COPS 2007B		Carver Middle Addition*	8,214,251	
COPS 2007B		Hagen Road Elem Modernization*	28,378,526	
COPS 2007B		Lake Worth Middle Addition*	8,836,069	
COPS 2007B		Palm Beach Gardens Elem Modernization*	29,777,367	
COPS 2007B		Wellington High Auditorium*	12,871,672	
COPS 2007B		West Boynton Elem (03-Z)*	30,341,550	
COPS 2007B Total			118,419,435	119,400,000
Grand Total			2,067,803,372	1,899,060,053

* Projects have not been completed. Square Footage data for these projects are estimated.

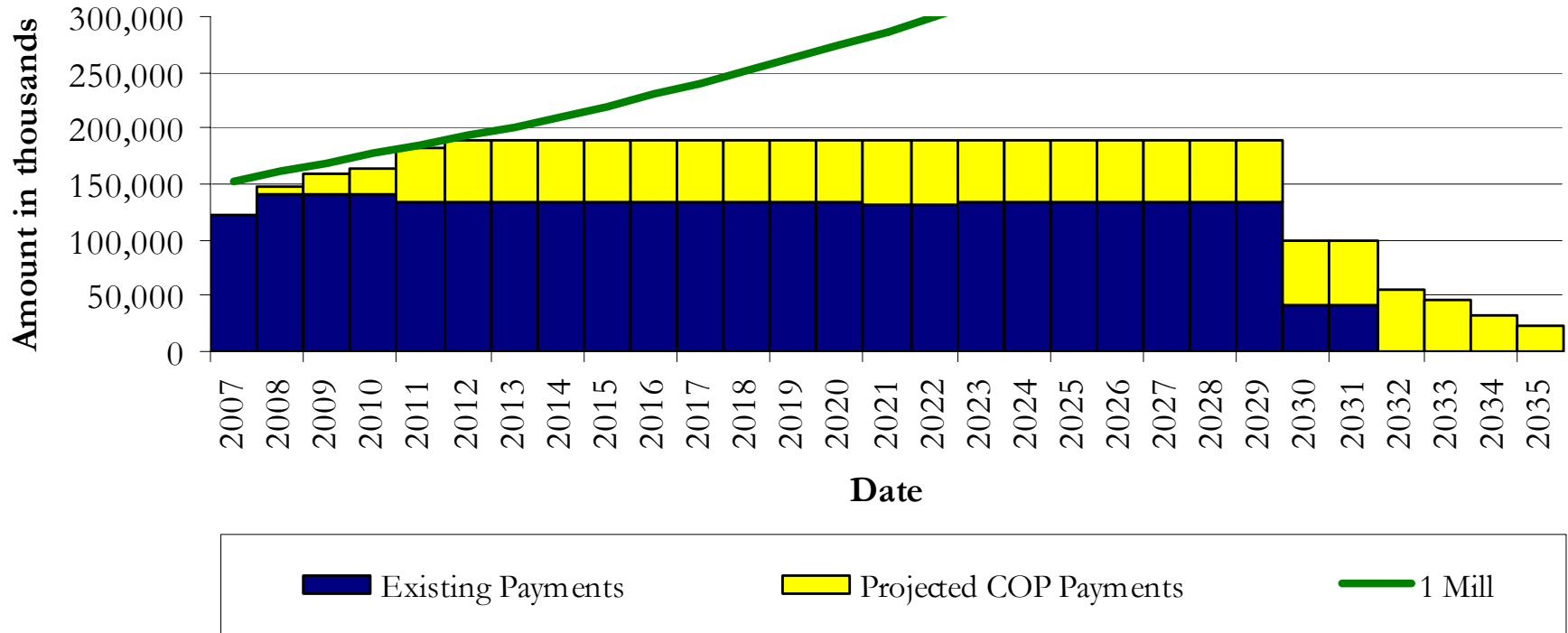
** Includes concrete modular classrooms

*** Project removed from the lease with consent of insurer. Replacement facility under construction and included in 2005B.



Revenues - COPs

Existing and Proposed COPS Payments





**Debt
Debt by Type
Active Positions
June 30, 2007**

Palm Beach County School Distr
3300 Forest Hill Blvd
Ste A-334
West Palm Beach, FL
(561)434-8142

CUSIP	Position #	Fund	Issue	Par Value	Issue Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Fund: Sales Tax Fund										
Commercial Paper - Interest Bearing										
69655PKB2	10668	3926	Sales Tax	1,000,000.00	100.0000000	1,000,000.00	3.750	07/09/2007		
69655PJU2	10662	3926	Sales Tax	12,000,000.00	100.0000000	12,000,000.00	3.640	07/12/2007		
69655PKC0	10669	3926	Sales Tax	2,000,000.00	100.0000000	2,000,000.00	3.750	07/12/2007		
69655PKE6	10671	3926	Sales Tax	3,450,000.00	100.0000000	3,450,000.00	3.750	07/16/2007		
69655PKL0	10678	3926	Sales Tax	1,500,000.00	100.0000000	1,500,000.00	3.750	07/16/2007		
69655PKM8	10679	3926	Sales Tax	6,400,000.00	100.0000000	6,400,000.00	3.770	07/16/2007		
69655PKD8	10670	3926	Sales Tax	17,300,000.00	100.0000000	17,300,000.00	3.750	07/19/2007		
69655PKG1	10673	3926	Sales Tax	2,000,000.00	100.0000000	2,000,000.00	3.770	07/19/2007		
69655PJZ1	10666	3926	Sales Tax	1,500,000.00	100.0000000	1,500,000.00	3.730	08/06/2007		
69655PKN6	10682	3926	Sales Tax	10,000,000.00	100.0000000	10,000,000.00	3.780	08/09/2007		
69655PKP1	10683	3926	Sales Tax	14,800,000.00	100.0000000	14,800,000.00	3.760	08/09/2007		
69655PKH9	10674	3926	Sales Tax	9,200,000.00	100.0000000	9,200,000.00	3.760	08/13/2007		
69655PKF3	10672	3926	Sales Tax	3,000,000.00	100.0000000	3,000,000.00	3.770	08/15/2007		
69655PKA4	10667	3926	Sales Tax	5,500,000.00	100.0000000	5,500,000.00	3.770	08/16/2007		
69655PKK2	10677	3926	Sales Tax	10,000,000.00	100.0000000	10,000,000.00	3.780	08/16/2007		
69655PJV0	10663	3926	Sales Tax	19,750,000.00	100.0000000	19,750,000.00	3.650	09/13/2007		
69655PKJ5	10675	3926	Sales Tax	30,600,000.00	100.0000000	30,600,000.00	3.730	10/10/2007		
69655PKT3	10717	3926	Sales Tax	3,500,000.00	100.0000000	3,500,000.00	3.770	01/16/2008		
69655PKS5	10716	3926	Sales Tax	16,000,000.00	100.0000000	16,000,000.00	3.770	01/17/2008		
69655PKQ9	10684	3926	Sales Tax	65,500,000.00	100.0000000	65,500,000.00	3.720	02/14/2008		
69655PKR7	10686	3926	Sales Tax	15,000,000.00	100.0000000	15,000,000.00	3.750	02/14/2008		
Sales Tax Fund Subtotal				250,000,000.00		250,000,000.00				
Total				250,000,000.00		250,000,000.00				

DISTRICT BOND & NOTE RATINGS

Rating Agency	Short Term Notes	Long Term - General Obligation Bonds	Long Term - Certificates of Participation
Moody's	MIG 1	Aa3, Stable Outlook	A1, Stable Outlook
Standard and Poor's	SP-1+	AA, Stable Outlook	AA-, Stable Outlook
Fitch	not rated	AA-, Stable Outlook	A+, Stable Outlook

Moody's Investor Service: Ratings for Long-Term Municipal Debt

- Aaa Best quality; carry the smallest degree of investment risk.
- Aa High quality; margins of protection not quite as large as the Aaa bonds.
- A Upper medium grade; security adequate but could be susceptible to impairment.
- Baa Medium grade; neither highly protected nor poorly secured - lack outstanding investment characteristics and sensitive to changes in economic circumstances.

Ratings further classified by 1, 2, or 3 modifier with 1 being high and 3 being low.

Moody's Investor Service: Ratings for Short-Term Municipal Debt

- MIG 1 This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.
- MIG 2 This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

Standard & Poor's: Ratings for Long-Term Municipal Debt

- AAA Highest rating; extremely strong security.
- AA Very strong security; differs from AAA in only a small degree.
- A Strong capacity but more susceptible to adverse economic effects than two above categories.
- BBB Adequate capacity but adverse economic conditions more likely to weaken capacity.

Those issues determined to possess overwhelming safety characteristics will be given a plus (+) designation.

Standard & Poor's: Ratings for Municipal Notes

- SP-1 Very strong or strong capacity to pay principle and interest,. Those issues determined to possess overwhelming safety characteristics will be given a plus (+) designation.
- SP-2 Satisfactory capacity to pay principal and interest
- SP-3 Speculative capacity to pay principal and interest.

Fitch Ratings: Ratings for Long-Term Municipal Debt

- AAA Highest rating; extremely strong security.
- AA Very strong security; differs from AAA in only a small degree.
- A Strong capacity but more susceptible to adverse economic effects than two above categories.
- BBB Adequate capacity but adverse economic conditions more likely to weaken capacity.

“+” or “-“ are used with a rating symbol to indicate the relative position of a credit within the rating category.