



SCHOOL DISTRICT OF PALM BEACH COUNTY

***INTERIM FINANCIAL STATEMENTS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2005***

Prepared By:

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

Interim Financial Statements

For The Seven Months Ended January 31, 2005

TABLE OF CONTENTS

PAGE

COMBINED BALANCE SHEET (BUDGETARY BASIS) ALL FUND TYPES.....	1
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - (BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND PRIVATE PURPOSE TRUST FUND	2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) GENERAL FUND	3
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY – INTERNAL SERVICE FUND	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS.....	6

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINED BALANCE SHEET - (BUDGETARY BASIS)
ALL FUND TYPES
JANUARY 31, 2005
(With comparative totals for January 31, 2004)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	PRIVATE PURPOSE TRUST	(MEMORANDUM ONLY)	
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	INTERNAL SERVICE	FLORIDA FUTURE EDUCATORS	JAN 2005	JAN 2004
ASSETS:								
Cash and investments	\$ 462,286,046.56	\$ 16,695,772.69	\$ 171,064,726.57	\$ 489,760,646.44	\$ 2,319,979.67	\$ 493,451.32	\$ 1,142,620,623.25	\$ 1,261,078,505.51
Taxes receivable (net of uncollectible taxes)	66,983,043.89	-	2,934,359.87	21,626,048.74	-	-	91,543,452.50	88,331,206.31
Accounts and interest receivable	197,010.32	1,183,412.61	-	-	-	-	1,380,422.93	903,406.80
Due from other governments or agencies	128,499,817.23	106,963,276.49	-	47,962,946.60	-	-	283,426,040.32	238,512,675.42
Due from other funds	394,212.73	-	-	-	-	-	394,212.73	358,429.78
Inventories	4,780,668.29	2,503,775.12	-	-	-	-	7,284,443.41	4,892,278.64
TOTAL ASSETS	\$ 663,140,799.02	\$ 127,346,236.91	\$ 173,999,086.44	\$ 559,349,641.78	\$ 2,319,979.67	\$ 493,451.32	\$ 1,526,649,195.14	\$ 1,594,076,502.46
LIABILITIES AND FUND EQUITY								
LIABILITIES:								
Accounts and contracts payable and accrued items	\$ 742,990.85	\$ 778,329.04	\$ -	\$ 5,302.00	\$ -	\$ -	\$ 1,526,621.89	\$ 2,056,413.33
Accrued payroll taxes and deductions	9,451,110.18	-	-	-	-	-	9,451,110.18	10,712,479.26
Fringe benefits payable	12,276,148.91	-	-	-	-	-	12,276,148.91	7,261,025.08
Due to other governments or agencies	28,391.45	-	190,804.52	2,414,723.56	-	-	2,633,919.53	3,948,705.96
Retainage payable on contracts	-	-	-	27,227,407.94	-	-	27,227,407.94	23,221,866.95
Tax anticipation notes payable	55,000,000.00	-	-	-	-	-	55,000,000.00	45,000,000.00
Encumbered salaries and fringe benefits payable	443,062,480.52	42,037,242.57	-	-	-	-	485,099,723.09	450,547,497.10
Outstanding encumbrances payable	21,417,122.32	9,005,451.83	7,550.00	195,504,485.72	-	-	225,934,609.87	339,300,624.01
Deposits payable	-	372,987.65	-	-	-	-	372,987.65	322,912.22
Deferred revenue	571,953.64	50,837,166.63	-	-	-	-	51,409,120.27	41,446,279.28
TOTAL LIABILITIES	542,550,197.87	103,031,177.72	198,354.52	225,151,919.22	-	-	870,931,649.33	923,817,803.19
FUND EQUITY:								
Contributed capital	-	-	-	-	-	-	-	-
Retained earnings (deficit) - unreserved	-	-	-	-	2,319,979.67	-	2,319,979.67	1,886,921.79
Fund balances reserved:								
Reserved for inventory	4,804,064.32	2,503,767.82	-	-	-	-	7,307,832.14	5,325,238.14
Reserved for board contingency	18,700,000.00	-	-	-	-	-	18,700,000.00	31,600,000.00
Reserved for debt service	-	-	173,800,731.92	-	-	-	173,800,731.92	141,227,431.18
Reserved for scholarships	-	-	-	-	-	493,451.32	493,451.32	429,918.99
Fund balances unreserved:								
Designated for construction projects	-	-	-	334,197,722.56	-	-	334,197,722.56	393,874,388.30
Designated for appropriations	97,086,536.83	21,811,291.37	-	-	-	-	118,897,828.20	95,914,800.87
Undesignated	-	-	-	-	-	-	-	-
TOTAL FUND EQUITY	120,590,601.15	24,315,059.19	173,800,731.92	334,197,722.56	2,319,979.67	493,451.32	655,717,545.81	670,258,699.27
TOTAL LIABILITIES AND FUND EQUITY	\$ 663,140,799.02	\$ 127,346,236.91	\$ 173,999,086.44	\$ 559,349,641.78	\$ 2,319,979.67	\$ 493,451.32	\$ 1,526,649,195.14	\$ 1,594,076,502.46

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
BALANCES - (BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND PRIVATE PURPOSE TRUST FUND
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2005
(With comparative totals for January 31, 2004)

	GOVERNMENTAL FUND TYPES				PRIVATE PURPOSE TRUST FLORIDA FUTURE EDUCATORS	TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		JAN 2005	JAN 2004
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 653,121,550.00	\$ -	\$ 29,020,806.00	\$ 211,985,545.00	\$ -	\$ 894,127,901.00	\$ 804,511,489.00
Food service sales	-	11,902,871.82	-	-	-	11,902,871.82	12,501,962.61
Interest income and other	20,185,262.78	4,614,947.87	544,179.49	8,979,298.06	71,490.98	34,395,179.18	44,580,699.62
Total local sources	673,306,812.78	16,517,819.69	29,564,985.49	220,964,843.06	71,490.98	940,425,952.00	861,594,151.23
State sources:							
Florida education finance program	248,465,557.00	-	-	-	-	248,465,557.00	280,601,481.00
Food service	-	443,612.00	-	-	-	443,612.00	490,988.85
Other	161,032,814.03	2,075,542.92	-	-	-	163,108,356.95	123,549,317.08
Total state sources	409,498,371.03	2,519,154.92	-	-	-	412,017,525.95	404,641,786.93
Federal sources:							
Food service	-	35,255,763.84	-	-	-	35,255,763.84	32,949,312.00
Other	1,959,615.46	80,779,930.80	-	-	-	82,739,546.26	74,269,192.04
Total Federal sources	1,959,615.46	116,035,694.64	-	-	-	117,995,310.10	107,218,504.04
TOTAL REVENUES	1,084,764,799.27	135,072,669.25	29,564,985.49	220,964,843.06	71,490.98	1,470,438,788.05	1,373,454,442.20
EXPENDITURES:							
Instructional services	701,741,214.26	37,119,848.14	-	-	-	738,861,062.40	683,518,299.37
Instructional support services	94,920,532.57	41,029,848.89	-	-	-	135,950,381.46	130,864,823.32
Pupil transportation services	33,825,397.41	65,244.59	-	-	-	33,890,642.00	31,278,249.05
Operation and maintenance services	118,909,581.94	1,995,002.77	-	-	-	120,904,584.71	103,294,677.30
School administration	98,688,421.54	2,386,007.73	-	-	-	101,074,429.27	93,620,751.64
General administration	14,120,768.66	1,115,197.03	-	-	-	15,235,965.69	16,022,745.53
Food service	-	42,087,522.26	-	-	-	42,087,522.26	42,144,841.22
School activities	-	-	-	-	52,007.57	52,007.57	-
Community services and other	13,141,288.32	3,012,488.79	-	-	-	16,153,777.11	15,527,461.90
Facilities acquisition and construction	395,596.96	240,412.58	-	295,815,165.63	-	296,451,175.17	451,889,028.20
Other capital outlay	-	-	-	86,178,325.95	-	86,178,325.95	84,208,220.12
Retirement of principal	-	-	48,965,000.00	-	-	48,965,000.00	39,020,000.00
Payment of interest	362,473.20	-	33,971,891.45	-	-	34,334,364.65	33,494,513.14
Dues, fees and other	-	-	982,265.17	-	-	982,265.17	996,405.23
TOTAL EXPENDITURES	1,076,105,274.86	129,051,572.78	83,919,156.62	381,993,491.58	52,007.57	1,671,121,503.41	1,725,880,016.02
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,659,524.41	6,021,096.47	(54,354,171.13)	(161,028,648.52)	19,483.41	(200,682,715.36)	(352,425,573.82)
OTHER FINANCING SOURCES (USES):							
Operating transfers in	21,000,000.00	-	30,774,262.53	-	-	51,774,262.53	19,250,000.00
Operating transfers out	-	-	-	(51,774,262.53)	-	(51,774,262.53)	(19,250,000.00)
Proceeds from issuance of long-term debt	-	-	-	-	-	-	6,050,000.00
Premium (discount)from issuance of debt	-	-	-	-	-	-	(60,372.10)
Proceeds from loss recoveries	1,806,614.47	-	-	-	-	1,806,614.47	950,730.43
Proceeds from sale of fixed assets and other	-	-	-	-	-	-	34,000.00
TOTAL OTHER FINANCING SOURCES (USES)	22,806,614.47	-	30,774,262.53	(51,774,262.53)	-	1,806,614.47	6,974,358.33
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	31,466,138.88	6,021,096.47	(23,579,908.60)	(212,802,911.05)	19,483.41	(198,876,100.89)	(345,451,215.49)
BEGINNING FUND BALANCES	89,124,462.27	18,293,962.72	197,380,640.52	547,000,633.61	473,967.91	852,273,667.03	1,013,822,992.97
ENDING FUND BALANCES	\$ 120,590,601.15	\$ 24,315,059.19	\$ 173,800,731.92	\$ 334,197,722.56	\$ 493,451.32	\$ 653,397,566.14	\$ 668,371,777.48

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 BALANCES -
BUDGET AND ACTUAL - (BUDGETARY BASIS)
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2005**

	<u>BUDGET</u>	<u>JAN 2005 ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>% OF BUDGET</u>	<u>JAN 2004 ACTUAL</u>
REVENUES:					
Local sources:					
Ad valorem taxes	\$ 653,121,550.00	\$ 653,121,550.00	\$ -	100.00%	\$ 586,920,081.00
Child care fees	16,000,000.00	7,886,894.91	(8,113,105.09)	49.29%	8,141,945.13
Course fees	-	651,194.58	651,194.58	0.00%	242,405.13
Receipt of federal indirect cost rate	4,000,000.00	1,507,352.86	(2,492,647.14)	37.68%	1,597,986.30
Interest income	6,145,496.00	3,501,324.07	(2,644,171.93)	56.97%	1,720,625.57
Miscellaneous	16,883,910.00	6,638,496.36	(10,245,413.64)	39.32%	6,079,601.05
Total local sources	<u>696,150,956.00</u>	<u>673,306,812.78</u>	<u>(22,844,143.22)</u>	<u>96.72%</u>	<u>604,702,644.18</u>
State sources:					
Florida education finance program	248,465,557.00	248,465,557.00	-	100.00%	280,601,481.00
Workforce development performance	15,055,957.00	15,055,957.00	-	100.00%	14,576,961.00
Transportation	30,017,823.00	30,017,823.00	-	100.00%	29,216,593.00
Instructional materials	15,854,172.00	15,854,172.00	-	100.00%	15,288,555.00
Discretionary lottery	10,241,467.00	10,241,467.00	-	100.00%	8,740,435.00
Class size reduction	68,340,086.00	68,340,086.00	-	100.00%	32,802,923.00
School recognition	8,820,466.00	8,820,466.00	-	100.00%	9,687,604.00
Public school technology	3,312,703.00	3,312,703.00	-	100.00%	3,278,541.00
Teacher training allocation	2,388,692.00	2,388,692.00	-	100.00%	2,364,053.00
Teacher lead program	1,094,004.00	1,094,004.00	-	100.00%	1,061,174.00
Miscellaneous	8,136,830.00	5,907,444.03	(2,229,385.97)	72.60%	4,070,953.58
Total state sources	<u>411,727,757.00</u>	<u>409,498,371.03</u>	<u>(2,229,385.97)</u>	<u>99.46%</u>	<u>401,689,273.58</u>
Federal sources:					
Federal impact	16,000.00	13,707.84	(2,292.16)	85.67%	-
ROTC	530,000.00	338,537.32	(191,462.68)	63.87%	185,315.87
Medicaid reimbursement	3,400,000.00	1,607,370.30	(1,792,629.70)	47.28%	167,992.17
Miscellaneous	-	-	-	-	-
Total federal sources	<u>3,946,000.00</u>	<u>1,959,615.46</u>	<u>(1,986,384.54)</u>	<u>49.66%</u>	<u>353,308.04</u>
TOTAL REVENUES	<u>1,111,824,713.00</u>	<u>1,084,764,799.27</u>	<u>(27,059,913.73)</u>	<u>97.57%</u>	<u>1,006,745,225.80</u>
EXPENDITURES:					
Current:					
Instructional services	779,448,348.00	701,741,214.26	77,707,133.74	90.03%	645,820,223.96
Pupil personnel services	36,914,568.00	34,963,048.07	1,951,519.93	94.71%	34,243,743.98
Instructional media services	17,207,509.00	15,978,614.95	1,228,894.05	92.86%	16,115,797.42
Instructional and curriculum development services	32,813,128.00	31,476,675.96	1,336,452.04	95.93%	39,372,265.17
Instructional staff training	14,806,547.00	12,502,193.59	2,304,353.41	84.44%	7,293,368.37
Pupil transportation services	37,719,584.00	33,825,397.41	3,894,186.59	89.68%	31,159,025.51
Operation of plant	106,102,655.00	83,836,330.89	22,266,324.11	79.01%	77,779,779.09
Maintenance of plant	47,606,488.00	35,073,251.05	12,533,236.95	73.67%	24,089,553.32
School administration	84,780,846.00	80,539,574.30	4,241,271.70	95.00%	75,714,255.50
Central services	20,126,793.00	18,148,847.24	1,977,945.76	90.17%	16,474,289.36
General administration	6,979,761.00	6,478,907.24	500,853.76	92.82%	6,680,382.47
Fiscal services	4,271,813.00	3,991,803.50	280,009.50	93.45%	4,217,360.57
Board of education	4,851,249.00	3,650,057.92	1,201,191.08	75.24%	3,930,521.99
Community services and other	22,988,203.00	13,141,288.32	9,846,914.68	57.17%	12,700,443.06
Facilities acquisition and construction	486,188.00	395,596.96	90,591.04	81.37%	386,145.73
Payment of interest	545,496.00	362,473.20	183,022.80	66.45%	297,684.39
TOTAL EXPENDITURES	<u>1,217,649,176.00</u>	<u>1,076,105,274.86</u>	<u>141,543,901.14</u>	<u>88.38%</u>	<u>996,274,839.89</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(105,824,463.00)</u>	<u>8,659,524.41</u>	<u>114,483,987.41</u>		<u>10,470,385.91</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	36,000,000.00	21,000,000.00	(15,000,000.00)	58.33%	19,250,000.00
Operating transfers out	-	-	-	-	-
Proceeds from loss recoveries	-	1,806,614.47	1,806,614.47	-	950,730.43
Proceeds from sale of fixed assets and other	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>36,000,000.00</u>	<u>22,806,614.47</u>	<u>(13,193,385.53)</u>	<u>58.33%</u>	<u>20,200,730.43</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (69,824,463.00)</u>	<u>31,466,138.88</u>	<u>\$ 101,290,601.88</u>		<u>30,671,116.34</u>
BEGINNING FUND BALANCES		<u>89,124,462.27</u>			<u>82,232,521.32</u>
ENDING FUND BALANCES		<u>\$ 120,590,601.15</u>			<u>\$ 112,903,637.66</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 FUND EQUITY
INTERNAL SERVICE FUND - MAINTENANCE
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2005

	JAN 2005
OPERATING REVENUES:	
Service revenue	\$ 17,308,794.36
Other income	13,531.91
TOTAL OPERATING REVENUES	17,322,326.27
OPERATING EXPENSES:	
Salaries	11,344,957.73
Benefits	3,617,173.03
Purchased services	56,113.72
Energy services	-
Materials and supplies	-
Other	-
TOTAL OPERATING EXPENSES	15,018,244.48
OPERATING INCOME (LOSS)	2,304,081.79
NONOPERATING REVENUES:	
Interest and other income	-
TOTAL NONOPERATING REVENUES	-
NET INCOME (LOSS)	2,304,081.79
BEGINNING RETAINED EARNINGS (DEFICIT)- UNRESERVED	15,897.88
ENDING RETAINED EARNINGS (DEFICIT)- UNRESERVED	2,319,979.67
CONTRIBUTED CAPITAL	-
TOTAL FUND EQUITY	\$ 2,319,979.67

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
INTERNAL SERVICE FUND - MAINTENANCE
STATEMENT OF CASH FLOWS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2005

	JAN 2005
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash receipts from services provided other funds	\$ 17,308,794.36
Cash receipts from other income	13,531.91
Cash payments to suppliers for goods and services	(56,113.72)
Cash payments for salaries, benefits, and other expenses	(14,962,130.76)
Net cash provided by (used in) operating activities	<u>2,304,081.79</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payments for purchase of equipment	-
Net cash used in capital and related financing activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earnings on investments	-
Net cash provided by investing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	2,304,081.79
Beginning cash and cash equivalents	<u>15,897.88</u>
Ending cash and cash equivalents	<u><u>\$ 2,319,979.67</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES:	
Operating income (loss)	\$ <u>2,304,081.79</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Decrease in accounts receivable	-
Increase in due from other funds	-
Increase in inventory	-
Increase (decrease) in due to other funds	-
Decrease in accounts payable	-
Total adjustments	<u>-</u>
Net cash provided by (used in) operating activities	<u><u>\$ 2,304,081.79</u></u>

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2005

- (1) **Basis of Accounting.** The modified accrual basis of accounting is utilized by all funds except for the proprietary fund. Under the modified accrual basis, revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when the interest is due.
- (2) **Revenue Recognition.** The School District budgets 95% of the property taxes levied, as allowed by state statute, as revenue in all applicable funds. Therefore, 95% of the taxes levied is accrued as revenue in the interim financial statements. Other significant accruals included in the interim financial statements are the Florida Education Finance Program revenues, certain state categorical program revenues and the Food Service National School breakfast/lunch revenues. These revenues are considered “available” because they will be received by the District before the end of the fiscal year.
- (3) **Budgetary Accounting.** The interim financial statements are presented utilizing the budgetary basis of accounting for all of the Governmental funds. Therefore, expenditures include materials, supplies and services from vendors which have been encumbered and encumbered salaries and benefits. If encumbrances were not included in expenditures, then the excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses would be as follows:
- Excess (deficiency) of revenues and other financing sources
over (under) expenditures and other financing uses \$ (237,375,201.37) **
- | | | |
|------------------------|-----------------------|-----------------------|
| PLUS: | <u>ENCUMBRANCES</u> | |
| General Fund | \$ 464,479,602.84 | |
| Special Revenue Funds | 51,042,694.40 | |
| Debt Service Funds | 7,550.00 | |
| Capital Projects Funds | <u>195,504,485.72</u> | <u>711,034,332.96</u> |
- Adjusted excess of revenues and other financing
sources over expenditures and other financing uses \$ 473,659,131.59
- ** This amount is comprised of the four governmental funds less \$38,479,617.07 of Federal Grant revenue accrued to match outstanding Federal Grant encumbrances.
- (4) Ending fund balance has not been adjusted to reflect future expenditures for substitutes and hourly personnel whose salaries are not encumbered, utilities, and other expenditures not made through the purchase order and requisition system.
- (5) The private purpose trust fund included on the combined balance sheet is the Florida Future Educators Private Purpose Trust Fund.
- (6) Not included in these statements are the School Internal Accounts. With the exclusion of this fund from these statements due from and due to other funds will not be equal.
- (7) The Budget amounts presented in these financial statements reflect the original General Fund Budget approved by the Board on September 13, 2004 as well as all amendments presented to the Board during the year. Budget amendments reflecting adjustments for the month of January 2005 presented to the Board on March 16, 2005 and are also included herein.