



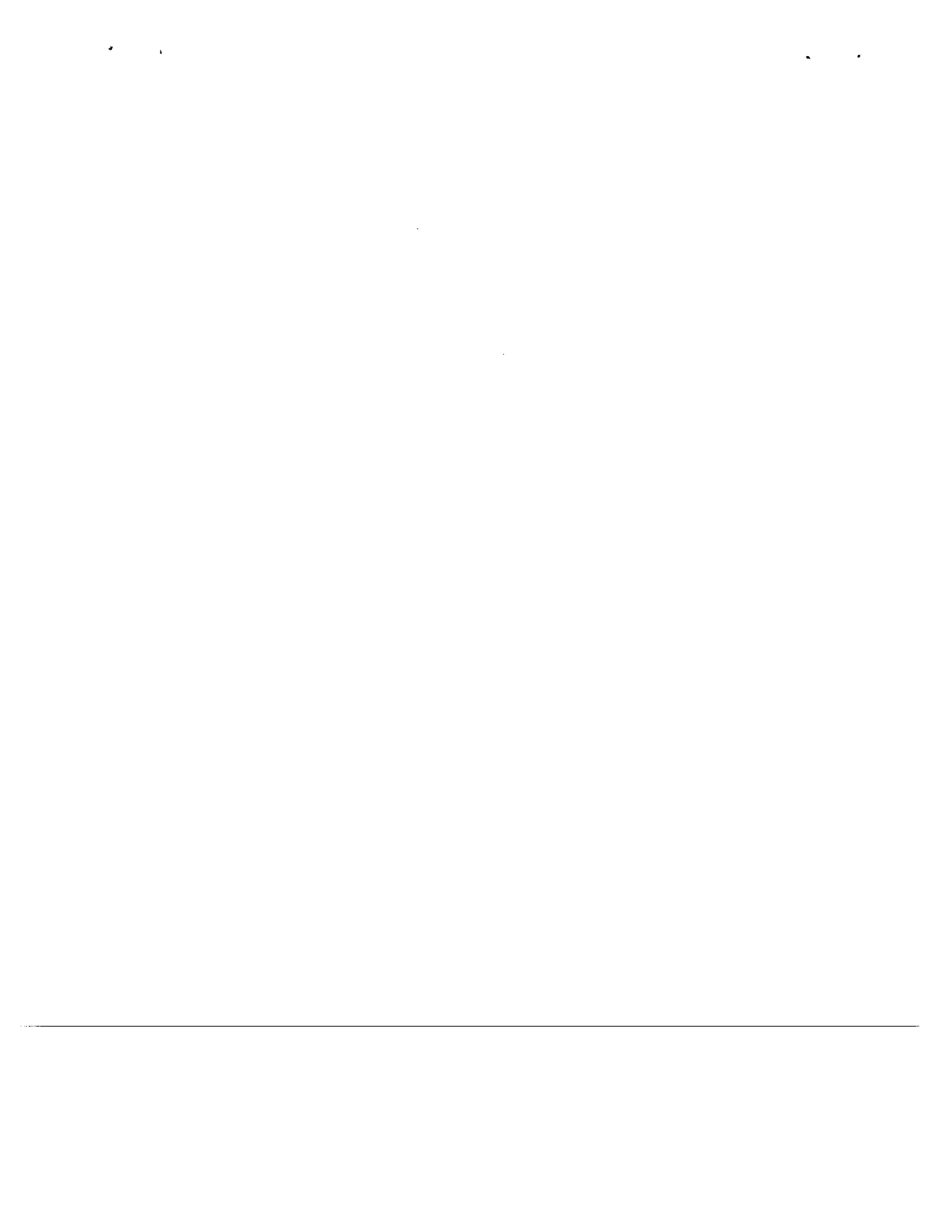
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT

(Unaudited)

For the Fiscal Year Ended
June 30, 2005

Arthur C. Johnson, Ph.D.
Superintendent of Schools

The School District of Palm Beach County, Florida





SUPERINTENDENT'S ANNUAL FINANCIAL REPORT

(Unaudited)

For the Fiscal Year Ended
June 30, 2005

December 14, 2005

The School District of Palm Beach County, Florida
West Palm Beach, Florida

**FLORIDA DEPARTMENT OF EDUCATION
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (ESE 145)
DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
For the Fiscal Year Ended June 30, 2005**

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The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2005, was submitted in accordance with Rule 6A-1.0071, FAC (Section 1004.51(12)(b), F.S.). This report was approved by the school board on September 7, 2005.

District Superintendent's Signature _____

Date _____

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The School District of Palm Beach County, Florida's (the "District") discussion and analysis is designed to provide an objective and easy to read analysis of the District's financial activities for the fiscal year ended June 30, 2005, based on currently known facts, decisions or conditions. It is intended to provide a broad overview using a short-term and long-term analysis of the District's activities based on information presented in the financial report and fiscal policies that have been adopted by the seven elected members of the school board (the "Board"). Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget) and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments."

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 District's financial status as reflected in total net assets improved substantially this year by \$143.3 million or 11.2%, from \$1.3 billion as of June 30, 2004, to \$1.4 billion as of June 30, 2005. The increase in total net assets reflects increases in capital assets of \$285.6 million, increases in current and other assets of \$118.9 million, offset by an increase in current and other liabilities of \$264.9 million.
- General revenue accounted for \$1.5 billion, or 91.0%, of all revenues, an increase of \$145.2 million or 10.6% when compared to the prior year. This increase is primarily attributed to an increase in property taxes and local sales tax revenue, a new source of funding for the District. Program specific revenue in the form of charges for services, grants and contributions accounted for \$150.9 million, or 9.0% of revenue totaling \$1.7 billion.
- The District had \$1.5 billion in expenses related to programs, an increase of \$70.5 million or 4.8%, which was offset by \$150.9 million in program specific charges for services, grants and contributions. General revenues, primarily property taxes and Florida Education Finance Program (FEFP) revenues, were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported combined fund balances of \$710.2 million. The General Fund (the primary operating fund), reflected on a current financial resources basis, ended the year with a fund balance of \$93.6 million. Of this amount, \$39.7 million is unreserved, undesignated fund balance that is available for spending at the District's discretion. During the current year, General Fund revenues (including other financing sources) exceeded expenditures by \$4.5 million.
- The District's total long-term debt decreased by \$15.4 million or 1.0% during the current fiscal year. The key factor contributing to decrease was that short-term financing provided by commercial paper notes met the District's capital needs, hence minimal new long-term debt was required.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – management’s discussion and analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-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 district-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 maintenance services.
- *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 District-Wide and Fund Financial Statements				
	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: maintenance services and other internal service funds	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of net assets • 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 assets • Statement of revenue, expenses, and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus

Figure 1 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

District-wide Statements

The district-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 assets 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The two district-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, the reader needs to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, all the District's activities are reported as governmental activities.

- *Governmental activities* – All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes 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 district-wide statements, the District provides additional information with the governmental funds statements that explains 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 district-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 activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund – the Maintenance Services fund.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

- *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 district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net assets were \$1.4 billion at June 30, 2005. The largest portion of the District's net assets, \$1.0 billion or 73.2%, reflect its investment in capital assets (i.e. land, buildings, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is 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 assets (\$479.3 million) represents resources that are subject to external restrictions on how they may be used.

The unrestricted net assets of governmental activities represent the accumulated results of all past years' operations. The adoption of GASB 34 resulted in the District having to expense its long-term compensated absences. This resulted in the recording of \$146.8 million in expenses against the Statement of Net Assets balance, which caused a shortfall of unrestricted net assets. The same situation holds true for the prior year.

Capital assets (net) increase of \$285.6 million or 12.9% over prior year, primarily reflects the completion of three (3) new schools and modernization/replacement of seven (7) existing schools. The increase in current and other liabilities of \$264.9 million or 139.6%, is principally due to the issuance of \$250.0 million in commercial paper notes during fiscal year 2005. These notes are payable from, and secured by a pledge of the proceeds received by the District from the levy and collection of one-half cent sales tax, to finance the construction and modernization/replacement of school facilities.

The analysis in Table 1 below, and Table 2 on page 5, focuses on the summary of net assets and summary of changes in net assets for the District's governmental activities.

Table 1

Summary of Net Assets Governmental Activities (in thousands)				
	June 30, 2005	June 30, 2004	Increase (Decrease)	Percentage Change
Current and other assets	\$ 1,149,886	\$ 1,030,980	\$ 118,906	11.5%
Capital assets (net)	2,504,164	2,218,552	285,612	12.9%
Total assets	<u>3,654,050</u>	<u>3,249,532</u>	404,518	12.4%
Current and other liabilities	454,605	189,747	264,858	139.6%
Long-term liabilities	1,778,264	1,781,876	(3,612)	-0.2%
Total liabilities	<u>2,232,869</u>	<u>1,971,623</u>	261,246	13.3%
Net assets:				
Invested in capital assets, net of related debt	1,040,221	839,488	200,733	23.9%
Restricted	479,322	529,407	(50,085)	-9.5%
Unrestricted	(98,363)	(90,986)	(7,377)	8.1%
Total net assets	<u>\$ 1,421,181</u>	<u>\$ 1,277,909</u>	<u>\$ 143,272</u>	11.2%

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The results of this year's operations for the District as a whole are reported in the Statement of Activities. Table 2, takes the information from that statement and rearranges them slightly so the reader can see the total revenues for the year compared to fiscal year 2004.

As reported in the Statement of Activities, the cost of all of the governmental activities this year was \$1.5 billion. The amount that the taxpayers ultimately financed for these activities through District taxes was \$1.4 billion because some costs were paid by those who benefited from the programs (\$42.3 million), or by other governments and organizations who subsidized certain programs with grants and contributions (\$108.7 million). The District paid for the remaining "public benefit" portion of the governmental activities with \$906.8 million in property taxes, \$481.1 million in grants and contributions not restricted to specific programs, \$54.0 million in local sales taxes, and \$75.4 million with other general revenue.

Table 2

**Summary of Changes in Net Assets
Governmental Activities
(in thousands)**

	<u>June 30, 2005</u>	<u>June 30, 2004</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues:				
Program revenue:				
Charges for services	\$ 42,254	\$ 42,104	\$ 150	0.4%
Operating grants and contributions	69,342	69,436	(94)	-0.1%
Capital grants and contributions	39,312	43,024	(3,712)	-8.6%
General revenue:				
Property taxes	906,798	814,967	91,831	11.3%
Local sales taxes	54,000	-	54,000	-
Grants and contributions not restricted	481,136	514,731	(33,595)	-6.5%
Other general revenue	75,443	42,490	32,954	77.6%
Total revenues	<u>1,668,286</u>	<u>1,526,752</u>	<u>141,534</u>	9.3%
Functions/Programs Expenses				
Instruction	785,834	722,278	63,555	8.8%
Instructional support services	146,909	139,502	7,407	5.3%
General administration	8,778	8,946	(169)	-1.9%
School administration	87,776	81,102	6,674	8.2%
Facilities acquisition and construction	30,487	83,031	(52,544)	-63.3%
Food services	55,940	53,253	2,687	5.0%
Central services	21,299	19,836	1,463	7.4%
Pupil transportation services	41,168	36,111	5,057	14.0%
Operation and maintenance of plant	155,159	134,161	20,998	15.7%
Community services	23,180	22,841	340	1.5%
Interest on long-term debt	76,796	69,690	7,105	10.2%
Unallocated depreciation/amortization expense	78,328	68,101	10,227	15.0%
Other expenses	13,360	15,647	(2,287)	-14.6%
Total expenses	<u>1,525,014</u>	<u>1,454,501</u>	<u>70,513</u>	4.8%
Increase in net assets	<u>\$ 143,272</u>	<u>\$ 72,251</u>	<u>\$ 71,021</u>	98.3%

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The increase of 11.3% in property tax revenue is due to an increase in property values. Local sales tax revenue, a new source of funding for the District, began on January 1, 2005 and resulted in revenue totaling \$54.0 million. Other general revenue increased by 77.6% and reflects loss recoveries from the Federal Emergency Management Agency (FEMA) for hurricane-related expenditures. Other general revenue also includes investment earnings which increased from the prior year. This is a result of an increase in interest rates coupled with an increase in the District's investment portfolio, due in part to the temporary investment of debt proceeds from commercial paper notes.

Increases in expenditures closely paralleled inflation and student growth. Facilities acquisition and construction decreased by \$52.5 million, or 63.3%. This reflects the completion of certain projects and the District's strategy to scale back on spending which the necessary financing was obtained for other scheduled projects. Rising fuel costs and additional repairs necessitated by Hurricanes Frances and Jeanne resulted in higher than normal expenditures for pupil transportation services, operation and maintenance of plant. The financing of new school facilities construction and modernization/replacement drove the increase in interest on long-term debt.

Table 3 presents the costs of three major District activities: instruction, instructional support services, operation and maintenance of plant. The table also shows each activity's *net cost* (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

Selected Governmental Activities Year Ended June 30, 2005 (in thousands)				
Total Cost of Services	<u>June 30, 2005</u>	<u>June 30, 2004</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Instruction	\$ 785,834	\$ 722,278	\$ 63,555	8.80%
Instructional support services	146,909	139,502	7,407	5.31%
Operation and maintenance of plant	155,159	134,161	20,998	15.65%
	<u>\$ 1,087,902</u>	<u>\$ 995,941</u>	<u>\$ 91,961</u>	
 Net Cost of Services				
Instruction	\$ 784,451	\$ 720,670	\$ 63,781	8.85%
Instructional support services	146,909	139,502	7,407	5.31%
Operation and maintenance of plant	155,159	134,161	20,998	15.65%
	<u>\$ 1,086,519</u>	<u>\$ 994,332</u>	<u>\$ 92,187</u>	

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of June 30, 2005, the District's governmental funds reported a combined fund balance of \$710.2 million, which is a decrease of \$141.5 million or 16.6% from the prior year. The change largely reflects a decrease in other financing sources of \$68.0 million in the COPS Capital Projects Fund, one of the District's major funds, coupled with expenditures of approximately \$276.8 million for construction of three new schools and modernization/replacement of seven existing schools during fiscal year 2005.

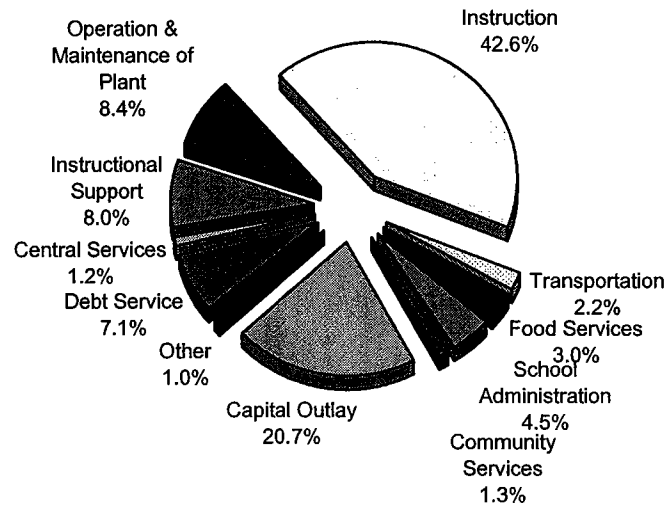
The Other Debt Service Fund, also a major fund, is used to account for the accumulation of resources for, and the payment of long-term debt principal and interest, ended the fiscal year with a fund balance of \$161.1 million. During the year, the District issued \$124.6 million of Certificates of Participation Series 2005A to advance refund and defease a portion of Series 2002A, Series 2002C, and Series 2002D Certificates of Participation. These refunding issues were done to achieve debt service savings.

The General Fund, which is the chief operating fund of the District and is always considered a major fund, had an ending fund balance of \$93.6 million at June 30, 2005. The fund balance of the District's General Fund increased by \$4.5 million during the current fiscal year. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$39.7 million.

In the Capital Improvement Fund, revenue increased by \$29.0 million to \$219.6 or 15.2%, from \$190.6 million in fiscal year 2004, due to higher property values. Other Governmental Funds which represents a summarization of all the non-major governmental funds, ended the year with total fund balance of \$62.7 million.

The pie chart above represents total expenditures from Governmental Funds classified by function.

**Total Governmental Funds
Expenditures by Function**



General Fund Budgetary Highlights

Over the course of the year, the District revises its budget and brings amendments to the Board on a monthly basis. These amendments are needed to adjust to actual revenues received and direct resources where needed. The Board approves the final amendment to the budget after year-end. Schedules showing the District's original budget and final amended budget, compared with actual amounts paid and received, are provided in the financial section.

There were revisions made to the 2004-2005 general fund original budget. FEFP revenue was decreased \$5.6 million, as a result of actual student enrollment less than projected by 1,283 students. Revenue from interest income exceeded the original budget by \$2.9 million due to rising interest rates. Local revenue from real estate taxes was \$10.0 million greater than original budget. Also, local revenue from the fee-based school age child care program was \$ 1 million higher than the original projection. Overall, budgeted revenue ended the year \$6.7 million higher than original budget.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Other financing sources increased \$16.4 million from original to final budget in 2004-05. This includes a \$4.1 million increase to the capital maintenance transfer and \$7.8 million in anticipated FEMA reimbursement. These two sources have been applied to hurricane expenditures related to recovery efforts from both Hurricane Frances and Hurricane Jeanne. Initially, these hurricane expenditures were funded through the Board Contingency Reserve. The remaining \$4.5 million in other financing sources reflects insurance loss recoveries from workers compensation claims.

Budgeted expenditures were increased \$25.1 million from the original budget to the final amended budget to account for hurricane related expenditures, increases in employee salaries and benefits, as well as pupil transportation and energy expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As shown in Table 4 on page 8, at June 30, 2005, the District had \$2.5 billion invested in a broad range of capital assets, including land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio visual materials and computer software. This amount represents a net increase (including additions, deletions and depreciation) of \$285.6 million from last year. This year's net increase of \$285.6 million includes the construction of three new schools which opened in fiscal year 2006, and several major expansions and renovation projects. The District anticipates capital additions will continue to increase due to an effort being made to reduce student overcrowding. The Notes to Financial Statements provide more information on capital assets.

Table 4
Capital Assets at Year-End
Governmental Activities
(in thousands)

	June 30, 2005	June 30, 2004	Increase (Decrease)
Land	\$ 237,376	\$ 215,509	\$ 21,867
Construction in progress	376,846	453,114	(76,268)
Improvements other than buildings	8,724	6,375	2,349
Buildings and fixed equipment	2,283,377	1,917,307	366,070
Furniture, fixtures and equipment	185,956	182,307	3,649
Motor vehicles	74,482	69,837	4,645
Property under capital leases	2,879	2,879	0
Audio visual and computer software	37,306	32,858	4,448
Less: accumulated depreciation	(702,781)	(661,632)	(41,150)
Total capital assets, net	\$ 2,504,164	\$ 2,218,553	\$ 285,611

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Long-term Debt

As shown in Table 5, below, at the end of this year, the District had \$1.59 billion in debt outstanding compared to \$1.60 billion last year, a decrease of \$15.4 million. The key factor contributing to the decrease was that short-term financing provided by commercial paper notes met the District's capital needs, hence minimal new long-term debt was required. During the current fiscal year, the District issued \$124.6 million in Certificates of Participation to advance refund and defease a portion of existing long-term debt. These refunding issues were done in order to achieve debt service savings.

Table 5
Long-term Debt Outstanding at Year-End
Governmental Activities
(in thousands)

	June 30, 2005	June 30, 2004	Increase (Decrease)
Capital outlay bond issues	\$ 47,320	\$ 50,735	\$ (3,415)
General obligation debt	79,555	103,665	(24,110)
Capital leases	901	1,862	(961)
Certificates of participation	1,446,708	1,431,453	15,255
Plus: issuance premiums	36,161	28,136	8,025
Less: deferred amounts	(23,092)	(12,877)	(10,215)
Total	\$ 1,587,553	\$ 1,602,974	\$ (15,421)

The District's general obligation debt and certificates of participation are rated Aa3 and A1 by Moody's Investors Service, and AA and AA- by Standard and Poor's Corporation, and AA- and A+ by Fitch Ratings Services.

The District is subject to state laws that limit the amount of debt outstanding to 10.0% of the non-exempt assessed valuation. At June 30, 2005, the statutory limit for the District was approximately \$11.1 billion, providing additional debt capacity of approximately \$11.0 billion.

Other long-term obligations include liability for compensated absences and estimated claims liability.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The State of Florida, by constitution, does not have a state personal income tax and therefore the state operates primarily using sales, gasoline and corporate income taxes. State funds to school districts are provided primarily by legislative appropriations from the state's general revenue funds under the FEFP. The level of tourism in the state influences the amount collected. Changes in the anticipated amount of revenues collected by the state directly impact the revenue allocation to the District.

The focus of the State finance program bases financial support for education upon the individual student participating in a particular educational program rather than upon the number of teachers or classrooms. FEFP funds are primarily generated by multiplying the number of full-time equivalent students (FTEs) in each of the educational programs by cost factors to obtain weighted FTEs. Weighted FTEs are then multiplied by a base student allocation and by a district cost differential in the major calculation to determine the State and local FEFP funds. Program cost factors are determined by the Legislature and represent relative cost differences among the FEFP programs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

State Support

Funds for state support to school districts are provided primarily by legislative appropriations. The major portion of state support is distributed under the provisions of the FEFP. State funds appropriated to finance the FEFP in 2005-2006 is \$6.7 billion for student enrollment associated with the 180 day regular school year and students in juvenile justice programs during the summer. A separate appropriation of \$393.7 million for Workforce Development was made to finance adult vocational and adult general education. While a number of tax sources are deposited in the State's General Revenue Fund, the predominant tax source is the sales tax.

Statewide, proceeds from the 2005-2006 Florida Lottery will be used to finance the following general fund K-12 appropriations: District Discretionary Lottery Funds, \$146.2 million and School Recognition Funds, \$117.2 million.

In addition, funds are appropriated to meet other needs by means of categorical programs and special allocations. These include Class Size Reduction, \$1.5 billion, Instructional Materials Program, \$248.0 million, Student Transportation, \$451.4 million, Public School Technology, \$49.9 million, Teacher Lead Program, \$17.9 million, Teacher Training, \$18.0 million and Reading, \$89.0 million.

Local Support

Local revenue for school support is derived almost entirely from property taxes. Each of the 67 school districts in the state is a countywide district.

Each school board participating in the state allocation of funds for current operation of schools must levy the millage set for its required local effort taxes. The Legislature set the amount of \$6.3 billion as required local effort for 2005-2006. Each district's share of the state total of required local effort is determined by a statutory procedure that is initiated by certification of the property tax valuations of each district by the Department of Revenue.

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:

Joseph Moore, Chief Operating Officer
The School District of Palm Beach County, Florida
3328 Forest Hill Boulevard, Suite A-306
West Palm Beach, FL 33406.

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF NET ASSETS
June 30, 2005

ASSETS	Account Number	Primary Government			Component Units
		Governmental Activities	Business-type Activities	Total	
Cash and Cash Equivalents	1110	442,023,954.76		442,023,954.76	
Investments	1160	546,365,211.33		546,365,211.33	
Taxes Receivable, Net	1120	26,035,052.62		26,035,052.62	
Accounts Receivable, Net	1130	10,263,011.11		10,263,011.11	
Interest Receivable	1170				
Due from Reinsurer	1180				
Deposits Receivable	1210				
Due from Other Agencies	1220	90,230,995.45		90,230,995.45	
Internal Balances					
Inventory	1150	19,052,111.65		19,052,111.65	
Prepaid Items	1230	14,465,497.28		14,465,497.28	
Restricted Assets:					
Cash with Fiscal Agent	1114	1,450,207.82		1,450,207.82	
Capital Assets:					
Land	1310	237,375,876.77		237,375,876.77	
Land Improvements - Nondepreciable	1315				
Construction in Progress	1360	376,845,980.36		376,845,980.36	
Improvements Other Than Buildings	1320	8,724,143.92		8,724,143.92	
Less Accumulated Depreciation	1329	(1,373,270.64)		(1,373,270.64)	
Buildings and Fixed Equipment	1330	2,283,376,609.62		2,283,376,609.62	
Less Accumulated Depreciation	1339	(504,969,778.33)		(504,969,778.33)	
Furniture, Fixtures and Equipment	1340	185,955,962.44		185,955,962.44	
Less Accumulated Depreciation	1349	(127,600,364.80)		(127,600,364.80)	
Motor Vehicles	1350	74,482,158.14		74,482,158.14	
Less Accumulated Depreciation	1359	(40,237,560.24)		(40,237,560.24)	
Property Under Capital Leases	1370	2,878,520.10		2,878,520.10	
Less Accumulated Depreciation	1379	(856,702.42)		(856,702.42)	
Audio Visual Materials	1381				
Less Accumulated Depreciation	1388				
Computer Software	1382	37,305,740.12		37,305,740.12	
Less Accumulated Amortization	1389	(27,743,647.15)		(27,743,647.15)	
Total Assets		3,654,049,709.91		3,654,049,709.91	
LIABILITIES AND NET ASSETS					
LIABILITIES					
Salaries and Wages Payable	2110	15,735,657.80		15,735,657.80	
Payroll Deductions and Withholdings	2170	5,664,732.68		5,664,732.68	
Accounts Payable	2120	29,875,225.24		29,875,225.24	
Construction Contracts Payable	2140	16,575,913.00		16,575,913.00	
Construction Contracts Retainage Payable	2150	30,920,768.55		30,920,768.55	
Due to Fiscal Agent	2240	55,294.70		55,294.70	
Accrued Interest on Sale of Bonds	2210	31,237,869.18		31,237,869.18	
Deposits Payable	2220	287,170.21		287,170.21	
Due to Other Agencies	2230	925,291.22		925,291.22	
Sales Tax Payable	2260	733.53		733.53	
Estimated Unpaid Claims	2271				
Estimated Liability for Claims Adjustment	2272				
Noncurrent Liabilities:					
Portion Due Within One Year:					
Section 1011.13, F.S., Notes Payable	2250	305,000,000.00		305,000,000.00	
Notes Payable	2310				
Bonds Payable	2320	28,885,000.00		28,885,000.00	
Obligations Under Capital Leases	2315	901,782.31		901,782.31	
Liability for Compensated Absences	2330	10,612,341.62		10,612,341.62	
Certificates of Participation Payable	2340	29,060,000.00		29,060,000.00	
Estimated Liability for Long-Term Claims	2350	12,006,512.64		12,006,512.64	
Estimated PECO Advance Payable	2370				
Deferred Revenue	2410	18,326,337.96		18,326,337.96	
Estimated Liability for Arbitrage Rebate	2280				
Portion Due After One Year:					
Notes Payable	2310				
Bonds Payable	2320	98,631,551.09		98,631,551.09	
Obligations Under Capital Leases	2315				
Liability for Compensated Absences	2330	136,192,944.42		136,192,944.42	
Certificates of Participation Payable	2340	1,430,074,113.57		1,430,074,113.57	
Estimated Liability for Long-Term Claims	2350	31,899,966.29		31,899,966.29	
Estimated PECO Advance Payable	2370				
Deferred Revenue	2410				
Estimated Liability for Arbitrage Rebate	2280				
Total Liabilities		2,232,869,206.01		2,232,869,206.01	
NET ASSETS					
Invested in Capital Assets, Net of Related Debt		1,040,221,444.35		1,040,221,444.35	
Restricted For:					
Categorical Carryover Programs	2710	33,334,106.07		33,334,106.07	
Debt Service	2750	172,516,471.80		172,516,471.80	
Capital Projects		254,640,950.49		254,640,950.49	
Other Purposes		18,830,442.60		18,830,442.60	
Unrestricted		(98,362,911.41)		(98,362,911.41)	
Total Net Assets		1,421,180,503.90		1,421,180,503.90	
Total Liabilities and Net Assets		3,654,049,709.91		3,654,049,709.91	

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2005

FUNCTIONS	Account Number	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets				
				Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Component Units	
Governmental Activities:										
Instruction	5000	785,833,829.70	1,383,131.96			(784,450,697.74)		(784,450,697.74)		
Pupil Personnel Services	6100	48,834,365.74				(48,834,365.74)		(48,834,365.74)		
Instructional Media Services	6200	16,680,408.24				(16,680,408.24)		(16,680,408.24)		
Instruction and Curriculum Development Services	6300	50,551,400.48				(50,551,400.48)		(50,551,400.48)		
Instructional Staff Training Services	6400	30,843,146.17				(30,843,146.17)		(30,843,146.17)		
Board	7100	4,202,238.54				(4,202,238.54)		(4,202,238.54)		
General Administration	7200	8,777,637.25				(8,777,637.25)		(8,777,637.25)		
School Administration	7300	87,776,264.64				(87,776,264.64)		(87,776,264.64)		
Facilities Acquisition and Construction	7400	30,486,988.81				2,987,623.31		2,987,623.31		
Fiscal Services	7500	4,479,524.00				(4,479,524.00)		(4,479,524.00)		
Food Services	7600	55,939,511.16	22,173,858.63		33,719,670.03	(45,982.50)		(45,982.50)		
Central Services	7700	21,299,413.28	1,592,187.47		27,930,560.00	(21,299,413.28)		(21,299,413.28)		
Pupil Transportation Services	7800	41,167,845.87				(11,645,098.40)		(11,645,098.40)		
Operation of Plant	7900	110,006,834.93				(110,006,834.93)		(110,006,834.93)		
Maintenance of Plant	8100	45,152,044.58				(45,152,044.58)		(45,152,044.58)		
Community Services	9100	23,180,360.83	17,104,738.26		7,691,836.83	1,616,214.24		1,616,214.24		
Interest on Long-term Debt	9200	77,752,657.55				(71,914,989.93)		(71,914,989.93)		
Unallocated Depreciation/Amortization Expense*		78,327,900.11				(78,327,900.11)		(78,327,900.11)		
Total Governmental Activities		1,521,292,371.90	42,253,916.32		69,342,066.86	(1,370,384,108.98)		(1,370,384,108.98)		
Business-type Activities:										
Self Insurance Consortium										
Daycare Operations										
Total Business-type Activities										
Total Primary Government		1,521,292,371.90	42,253,916.32		69,342,066.86	(1,370,384,108.98)		(1,370,384,108.98)		
Component Units:										
Charter Schools/Foundations										
Total Component Units										
General Revenues:										
Taxes:										
Property Taxes, Levied for Operational Purposes						662,247,616.55		662,247,616.55		
Property Taxes, Levied for Debt Service						29,477,768.48		29,477,768.48		
Property Taxes, Levied for Capital Projects						215,073,080.90		215,073,080.90		
Local Sales Taxes						54,000,000.00		54,000,000.00		
Grants and Contributions Not Restricted to Specific Programs						481,135,628.89		481,135,628.89		
Investment Earnings						22,118,327.32		22,118,327.32		
Miscellaneous						53,325,117.66		53,325,117.66		
Special Items - Loss on Disposal of Capital Assets						(4,678,730.03)		(4,678,730.03)		
Extraordinary Items										
Transfers										
Total General Revenues, Special Items, Extraordinary Items, and Transfers						1,512,698,809.77		1,512,698,809.77		
Change in Net Assets						142,314,700.79		142,314,700.79		
Net Assets - July 1, 2004						1,277,908,864.68		1,277,908,864.68		
Adjustment to Net Assets						956,938.43		956,938.43		
Net Assets - June 30, 2005						1,421,180,503.90		1,421,180,503.90		

*This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

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

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005**

ASSETS	Account Number	General 100	Other Debt Service 290	Capital Improvement Section 1011.71(2) F.S. 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	1110	135,657,979.80		138,460,001.08	122,123,809.54	47,195,696.71	443,437,487.13
Investments	1160		161,185,423.11		383,641,884.84	1,537,903.38	546,365,211.33
Taxes Receivable, Net	1120	12,717,535.76		4,130,410.96	8,621,239.06	565,866.84	26,031,052.62
Accounts Receivable, Net	1130	1,475,636.45			7,937,176.77	850,197.89	10,263,011.11
Interest Receivable	1170						
Due from Reinsurer	1180						
Deposits Receivable	1210						
Due From Other Funds:							
Budgetary Funds	1141	9,000,000.00					9,000,000.00
Internal Funds	1142	399,459.51					399,459.51
Due from Other Agencies	1220	7,858,968.07			50,861,527.70	31,111,040.17	89,831,535.94
Inventory	1150	17,357,127.05				1,694,984.60	19,052,111.65
Prepaid Items	1230	24,957.00					24,957.00
Total Assets		184,491,663.64	161,185,423.11	142,590,412.04	573,185,637.91	82,955,689.59	1,144,408,826.29
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Salaries, Benefits and Payroll Taxes Payable	2110	15,735,657.80					15,735,657.80
Payroll Deductions and Withholdings	2170	5,664,732.68					5,664,732.68
Accounts Payable	2120	11,325,831.78		2,589,323.77	13,178,088.22	2,770,069.69	29,863,313.46
Judgments Payable	2130						
Construction Contracts Payable	2140			2,152,187.00	14,386,543.67	37,182.33	16,575,913.00
Construction Contracts Payable-Retained Percentage	2150			1,709,235.76	28,834,345.18	377,187.61	30,920,768.55
Due to Fiscal Agent	2240		55,294.70				55,294.70
Sales Tax Payable	2260	733.53			664,238.12		1,805,488.12
Accrued Interest Payable	2210	1,141,250.00				127,239.83	287,170.21
Deposits Payable	2220	159,930.38					925,291.22
Due to Other Agencies	2230	10,333.00			703,843.23	211,114.99	55,000,000.00
Tans Notes Payable	2250	55,000,000.00			250,000,000.00		250,000,000.00
Commercial Paper Payable	2255						
Due to Other Funds:							
Budgetary Funds	2161					9,000,000.00	9,000,000.00
Internal Funds	2162						
Deferred Revenue	2410	1,818,004.04			8,742,972.00	7,765,361.92	18,326,337.96
Total Liabilities		90,856,473.21	55,294.70	6,450,746.53	316,510,030.42	20,288,156.37	434,160,701.23
FUND BALANCES							
Reserved for:							
Endowments	2705						
State Required Carryover Programs	2710	1,240,794.26			24,494,776.45		25,735,570.71
Encumbrances	2720	5,726,278.15		38,799,606.06	204,752,343.91	6,799,904.25	256,078,132.37
Inventory	2730	17,357,127.05				1,694,984.60	19,052,111.65
Other Purposes							
Unreserved, Reported in:							
General Fund - Undesignated	2760	39,722,474.97					39,722,474.97
General Fund - Designated for Board Contingency	2760	29,588,516.00					29,588,516.00
Special Revenue Funds	2760		161,130,128.41			12,729,060.25	12,729,060.25
Debt Service Funds	2760					34,700,195.73	195,830,324.14
Capital Projects Funds	2760				27,428,487.13	6,743,388.39	131,511,934.97
Permanent Funds	2760						
Total Fund Balances	2700	93,635,190.43	161,130,128.41	136,139,665.51	256,675,607.49	62,667,533.22	710,248,123.06
Total Liabilities and Fund Balances		184,491,663.64	161,185,423.11	142,590,412.04	573,185,637.91	82,955,689.59	1,144,408,826.29

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

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
For the Fiscal Year Ended June 30, 2005

Total Fund Balances - Governmental Funds **\$710,248,125.06**

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

Cost of Assets	\$3,206,944,991.47	
Accumulated Depreciation	<u>(702,781,323.58)</u>	2,504,163,667.89

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 14,440,540.28

An internal service fund is used by management to charge the costs of maintenance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 24,763.67

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities (net of discounts/premiums and deferred amounts on refundings) at year end consist of:

Bonds payable	\$127,516,551.09	
Certificates of Participation payable	1,459,134,113.57	
Obligations under capital lease	901,782.31	
Compensated absences	146,805,286.04	
Long-term claims payable	43,906,478.93	
Accrued interest on long-term debt	<u>29,432,381.06</u>	<u>(1,807,696,593.00)</u>

Total Net Assets - Governmental Activities **\$1,421,180,503.90**

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2005

	Account Number	General 100	Other Debt Service 290	Capital Improvement Section 1011.71(2) F.S. 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
REVENUES							
Federal Direct	3100	711,767.79				5,159,886.69	5,871,654.48
Federal Through State	3200	3,285,277.45				122,156,329.47	125,441,606.92
State Sources	3300	410,759,892.82				22,326,598.88	433,086,491.70
Local Sources	3400	705,112,474.60	793,562.12	219,633,605.84	88,479,023.94	58,996,719.51	1,073,015,386.01
Total Revenues		1,119,869,412.66	793,562.12	219,633,605.84	88,479,023.94	208,639,534.55	1,637,415,139.11
EXPENDITURES							
Current:							
Instruction	5000	738,091,770.40				43,823,982.56	781,915,752.96
Pupil Personnel Services	6100	36,393,490.88				12,184,076.25	48,577,567.13
Instructional Media Services	6200	16,613,981.18				25,214.34	16,639,195.52
Instruction and Curriculum Development Services	6300	32,192,066.99				18,963,598.69	51,155,665.68
Instructional Staff Training Services	6400	14,196,154.15				15,768,225.45	29,964,379.60
Board	7100	4,189,517.21					4,189,517.21
General Administration	7200	6,855,033.09				2,364,338.90	9,219,371.99
School Administration	7300	82,066,840.40				734,657.68	82,801,498.08
Facilities Acquisition and Construction	7410	479,837.55				320,921.25	800,758.80
Fiscal Services	7500	4,297,823.19				148,057.39	4,445,880.58
Food Services	7600					55,708,243.87	55,708,243.87
Central Services	7700	18,302,267.32				2,721,610.90	21,023,878.22
Pupil Transportation Services	7800	39,748,214.35				1,214,109.18	40,962,323.53
Operation of Plant	7900	107,411,421.70				1,797,688.27	109,209,109.97
Maintenance of Plant	8100	44,884,126.02				14,299.30	44,898,425.32
Community Services	9100	19,725,286.57				3,269,406.36	22,994,692.93
Debt Service: (Function 9200)							
Retirement of Principal	710		24,855,000.00		960,580.46	27,525,000.00	53,340,580.46
Interest	720	772,493.50	65,313,277.91		978,683.83	6,861,088.75	73,925,543.99
Dues, Fees and Issuance Costs	730		2,196,187.99		600,863.47	584,109.98	3,381,161.44
Miscellaneous Expenditures	790						
Capital Outlay:							
Facilities Acquisition and Construction	7420	66,629.00		76,070,310.13	276,764,077.18	23,615,627.66	376,516,643.97
Other Capital Outlay	9300	1,489,112.67				2,420,863.88	3,909,976.55
Total Expenditures		1,167,776,066.17	92,364,465.90	76,070,310.13	279,304,204.94	220,065,120.66	1,835,580,167.80
Excess (Deficiency) of Revenues Over (Under) Expenditures		(47,906,653.51)	(91,570,903.78)	143,563,295.71	(190,825,181.00)	(11,425,586.11)	(198,165,028.69)
OTHER FINANCING SOURCES (USES)							
Long-Term Bonds Issued	3710						
Premium on Sale of Bonds	3791						
Discount on Sale of Bonds (Function 9299)	891						
Refunding Bonds Issued	3715		124,630,000.00				124,630,000.00
Premium on Refunding Bonds	3792		10,394,473.45				10,394,473.45
Discount on Refunding Bonds (Function 9299)	892						
Certificates of Participation Issued	3750				38,505,000.00		38,505,000.00
Premium on Certificates of Participation	3793				958,920.80		958,920.80
Discount on Certificates of Participation (Function 9299)	893						
Loans Incurred	3720						
Proceeds from the Sale of Capital Assets	3730						
Loss Recoveries	3740	12,261,921.69			3,553,172.10		15,815,093.79
Proceeds of Forward Supply Contract	3760						
Special Facilities Construction Advances	3770						
Payments to Refunded Bond Escrow Agent (Function 9299)	760		(134,646,971.84)				(134,646,971.84)
Transfers In	3600	40,155,459.98	87,726,452.57				127,881,912.55
Transfers Out	9700			(122,554,035.51)	(4,327,877.04)	(1,000,000.00)	(127,881,912.55)
Total Other Financing Sources (Uses)		52,417,381.67	88,103,954.18	(122,554,035.51)	38,689,215.86	(1,000,000.00)	55,656,516.20
SPECIAL ITEMS							
EXTRAORDINARY ITEMS							
Net Change in Fund Balances		4,510,728.16	(3,466,949.60)	21,009,260.20	(152,135,965.14)	(12,425,586.11)	(142,508,512.49)
Fund Balances, July 1, 2004	2800	89,124,462.27	163,640,139.58	115,130,405.31	408,811,572.63	75,093,119.33	851,799,699.12
Adjustment to Fund Balances	2891		956,938.43				956,938.43
Fund Balances, June 30, 2005	2700	93,635,190.43	161,130,128.41	136,139,665.51	256,675,607.49	62,667,533.22	710,248,125.06

The notes to the financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
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, 2005**

Net Change in Fund Balances - Governmental Funds **(\$142,508,512.49)**

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays 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 by which capitalized capital outlays (\$351,566,166.01) exceeds depreciation expense (\$76,287,791.47) in the current period. 275,278,374.54

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (38,505,000.00)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (9,693,834.46)

Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets. 53,340,580.46

Bond refunding proceeds provide current financial resources to governmental funds. Bond refunding payments are expenditures in the governmental funds. This is the amount by which refunding payments (\$134,646,971.84) exceed refunding proceeds (\$124,630,000.00) in the current period. 10,016,971.84

The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets. 10,332,723.62

Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds. (15,955,468.51)

An internal service fund is used by management to charge the cost of maintenance, activities to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities. 8,865.79

Change in Net Assets of Governmental Activities **\$142,314,700.79**

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

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2005

ASSETS	Account Number	Business-Type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds				
		Self Insurance Consortium 911	Self Insurance Consortium 912	Self Insurance Consortium 913	Self Insurance Consortium 914	Self Insurance Consortium 915	Other 921	Other 922		Other Enterprise Funds	Totals		
Current Assets:													
Cash and Cash Equivalents	1110												36,675.45
Investments	1160												
Accounts Receivable - Net	1130												
Interest Receivable	1170												
Due from Reimbur	1180												
Deposits Receivable	1210												
Due from Other Funds-Budgetary	1141												
Due from Other Agencies	1220												
Inventory	1150												
Prepaid Items	1230												
Total Current Assets													36,675.45
Noncurrent Assets:													
Restricted Cash and Cash Equivalents													
Capital Assets:													
Land	1310												
Land Improvements - Nondepreciable	1315												
Construction in Progress	1360												
Improvements Other Than Buildings	1320												
Accumulated Depreciation	1329												
Buildings and Fixed Equipment	1330												
Accumulated Depreciation	1332												
Furniture, Fixtures and Equipment	1340												
Accumulated Depreciation	1349												
Motor Vehicles	1350												
Accumulated Depreciation	1359												
Property Under Capital Leases	1370												
Accumulated Depreciation	1379												
Computer Software	1382												
Accumulated Amortization	1389												
Total Noncurrent Assets													36,675.45
LIABILITIES													
Current Liabilities:													
Salaries, Benefits and Payroll Taxes Payable	2110												
Payroll Deductions and Withholdings	2170												
Accounts Payable	2120												
Judgments Payable	2130												
Sales Tax Payable	2260												
Accrued Interest Payable	2210												
Deposits Payable	2220												
Due to Other Funds-Budgetary	2161												
Due to Other Agencies	2230												
Deferred Revenues	2410												
Estimated Unpaid Claims	2271												
Estimated Liability for Claims Adjustment Expense	2272												
Obligations Under Capital Leases	2315												
Liability for Compensated Absences	2330												
Estimated Liability for Long-Term Claims	2350												
Estimated Liability for Long-Term Claims	2350												
Total Current Liabilities													11,911.78
Noncurrent Liabilities:													
Liabilities Payable from Restricted Assets:													
Deposits Payable	2220												
Other Noncurrent Liabilities:													
Obligations Under Capital Leases	2315												
Liability for Compensated Absences	2330												
Estimated Liability for Long-Term Claims	2350												
Total Noncurrent Liabilities													11,911.78
NET ASSETS													
Invested in Capital Assets, Net of Related Debt	2770												
Restricted for	2780												
Unrestricted	2790												
Total Net Assets													24,763.67
Total Liabilities and Net Assets													36,675.45

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2005

	Account Number	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds			
		Self Insurance Consortium 911	Self Insurance Consortium 912	Self Insurance Consortium 913	Self Insurance Consortium 914	Self Insurance Consortium 915	Other 921	Other 922		Other Enterprise Funds	Totals	
OPERATING REVENUES												
Charges for Services	3481											
Premium Revenue	3482											
Other Operating Revenues	3484											
Total Operating Revenues	3489											
OPERATING EXPENSES												
Salaries	100											
Employee Benefits	200											
Purchased Services	300											
Energy Services	400											
Materials and Supplies	500											
Capital Outlay	600											
Other Expenses	700											
Depreciation	780											
Total Operating Expenses												
Operating Income (Loss)												
NONOPERATING REVENUES (EXPENSES)												
Interest Revenue	3430											
Gifts, Grants and Bequests	3440											
Loss Recoveries	3740											
Gain on Disposition of Assets	3780											
Interest Expense	720											
Miscellaneous Expense	790											
Loss on Disposition of Assets	810											
Total Nonoperating Revenues (Expenses)												
Income (Loss) Before Operating Transfers												
Transfers In	3600											
Transfers Out	9700											
SPECIAL ITEMS												
EXTRAORDINARY ITEMS												
Change In Net Assets												
Net Assets - July 1, 2004	2880											8,865,799
Adjustment to Net Assets	2895											15,897,888
Net Assets - June 30, 2005	2780											24,763,677

The notes to the financial statements are an integral part of this statement.
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	Self Insurance Consortium 911	Self Insurance Consortium 912	Self Insurance Consortium 913	Self Insurance Consortium 914	Self Insurance Consortium 915	Other 921	Other 922	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts from customers and users										25,926,497.63
Receipts from interfund services provided										(130,752.34)
Payments to employees										(25,831,678.81)
Payments to suppliers										
Other receipts (payments) for interfund services used										
Net cash provided (used) by operating activities										(35,933.52)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES										
Subsidies from operating grants										
Transfers from other funds										
Transfers to other funds										
Net cash provided (used) by noncapital financing activities										
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Proceeds from capital debt										
Capital contributions										
Proceeds from disposition of capital assets										
Acquisition and construction of capital assets										
Principal paid on capital debt										
Interest paid on capital debt										
Net cash provided (used) by capital and related financing activities										
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from sales and maturities of investments										
Interest and dividends received										
Purchase of investments										44,116.17
Net cash provided (used) by investing activities										44,116.17
Net increase (decrease) in cash and cash equivalents										8,182.65
Cash and cash equivalents - July 1, 2004										28,497.80
Cash and cash equivalents - June 30, 2005										36,675.45
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:										(35,250.38)
Operating income (loss)										
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:										
Depreciation/Amortization expense										
Commodities used from USDA program										
Change in assets and liabilities:										
(Increase) decrease in accounts receivable										
(Increase) decrease in interest receivable										
(Increase) decrease in due from reinsurer										
(Increase) decrease in deposits receivable										
(Increase) decrease in due from other funds										
(Increase) decrease in due from other agencies										
(Increase) decrease in inventory										
(Increase) decrease in prepaid items										
Increase (decrease) in salaries and benefits payable										
Increase (decrease) in payroll tax liabilities										
Increase (decrease) in accounts payable										(683.14)
Increase (decrease) in judgments payable										
Increase (decrease) in sales tax payable										
Increase (decrease) in accrued interest payable										
Increase (decrease) in deposits payable										
Increase (decrease) in due to other agencies										
Increase (decrease) in due to other funds										
Increase (decrease) in deferred revenues										
Increase (decrease) in estimated unpaid claims										
Increase (decrease) in estimated liability for cleanup adjustment expense										(683.14)
Total adjustments										(35,933.52)
Net cash provided (used) by operating activities										
Noncash investing, capital, and financing activities:										
Borrowing under capital lease										
Contributions of capital assets										
Purchase of equipment on account										
Capital asset trade-ins										
Net Increase/(Decrease) in the fair value of investments										
Commodities received through USDA program										

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2005

	Account Number	Investment Trust Funds 84X	Private-Purpose Trust Funds 85X	Pension Trust Funds 87X	Agency Funds 89X
ASSETS					
Cash and Cash Equivalents	1110		500,852.97		12,141,492.84
Investments	1160				
Accounts Receivable, Net	1130				778,134.15
Interest Receivable	1170				
Due from Other Funds-Budgetary	1141				
Inventory	1150				
Due from Other Agencies	1220				
Total Assets			500,852.97		12,919,626.99
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120				25,805.03
Due to Other Agencies	2230				
Internal Accounts Payable	2290				12,494,362.45
Due to Other Funds-Budgetary	2161				399,459.51
Total Liabilities					12,919,626.99
NET ASSETS					
Assets Held in Trust for Pension Benefits					
Assets Held in Trust for Scholarships and Other Purposes			500,852.97		
Total Net Assets			500,852.97		

The notes to the financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2005

	Account Number	Investment Trust Funds 84X	Private-Purpose Trust Funds 85X	Pension Trust Funds 87X
ADDITIONS				
Contributions:				
Employer				
Plan Members				
Gifts, Grants and Bequests	3440		102,633.59	
Investment Earnings:				
Interest	3431		232.10	
Gain on Sale of Investments	3432			
Net Increase (Decrease) in the Fair Value of Investments	3433			
Total Investment Earnings			232.10	
Less Investment Expense				
Net Investment Earnings			232.10	
Total Additions			102,865.69	
DEDUCTIONS				
Salaries	100			
Employee Benefits	200			
Purchased Services	300		75,980.63	
Other Expenses	700			
Refunds of Contributions				
Administrative Expenses				
Total Deductions			75,980.63	
Change In Net Assets			26,885.06	
Net Assets - July 1, 2004	2885			
Net Assets - June 30, 2005	2785		26,885.06	

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

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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF NET ASSETS
MAJOR AND NONMAJOR COMPONENT UNITS
June 30, 2005

	Account Number	Major Component Unit	Major Component Unit	Total Nonmajor Component Units	Total Component Units
ASSETS					
Cash and Cash Equivalents	1110				
Investments	1160				
Taxes Receivable, Net	1120				
Accounts Receivable, Net	1130				
Interest Receivable	1170				
Due from Reinsurer	1180				
Deposits Receivable	1210				
Due from Other Agencies	1220				
Internal Balances					
Inventory	1150				
Prepaid Items	1230				
Restricted Assets:					
Cash with Fiscal Agent	1114				
Capital Assets:					
Land	1310				
Land Improvements - Nondepreciable	1315				
Construction in Progress	1360				
Improvements Other Than Buildings	1320				
Less Accumulated Depreciation	1329				
Buildings and Fixed Equipment	1330				
Less Accumulated Depreciation	1339				
Furniture, Fixtures and Equipment	1340				
Less Accumulated Depreciation	1349				
Motor Vehicles	1350				
Less Accumulated Depreciation	1359				
Property Under Capital Leases	1370				
Less Accumulated Depreciation	1379				
Audio Visual Materials	1381				
Less Accumulated Depreciation	1388				
Computer Software	1382				
Less Accumulated Amortization	1389				
Total Assets					
LIABILITIES AND NET ASSETS					
LIABILITIES					
Salaries and Wages Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120				
Construction Contracts Payable	2140				
Due to Fiscal Agent	2240				
Accrued Interest	2210				
Deposits Payable	2220				
Due to Other Agencies	2230				
Sales Tax Payable	2260				
Estimated Unpaid Claims	2271				
Estimated Liability for Claims Adjustment	2272				
Noncurrent Liabilities:					
Portion Due Within One Year:					
Section 1011.13, F.S., Notes Payable	2250				
Notes Payable	2310				
Bonds Payable	2320				
Obligations Under Capital Leases	2315				
Liability for Compensated Absences	2330				
Certificates of Participation Payable	2340				
Estimated Liability for Long-Term Claims	2350				
Estimated PECO Advance Payable	2370				
Deferred Revenue	2410				
Estimated Liability for Arbitrage Rebate	2280				
Portion Due After One Year:					
Notes Payable	2310				
Bonds Payable	2320				
Obligations Under Capital Leases	2315				
Liability for Compensated Absences	2330				
Certificates of Participation Payable	2340				
Estimated Liability for Long-Term Claims	2350				
Estimated PECO Advance Payable	2370				
Deferred Revenue	2410				
Estimated Liability for Arbitrage Rebate	2280				
Total Liabilities					
NET ASSETS					
Invested in Capital Assets, Net of Related Debt					
Restricted For:					
Categorical Carryover Programs	2710				
Debt Service	2750				
Capital Projects					
Other Purposes					
Unrestricted					
Total Net Assets					
Total Liabilities and Net Assets					

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
MAJOR AND NONMAJOR COMPONENT UNITS
NAME OF MAJOR COMPONENT UNIT
For the Fiscal Year Ended June 30, 2005

FUNCTIONS Component Unit Activities:	Account Number	Expenses	Program Revenues		Component Unit Activities
			Charges for Services	Operating Grants and Contributions	
Instruction	5000				
Pupil Personnel Services	6100				
Instructional Media Services	6200				
Instruction and Curriculum Development Services	6300				
Instructional Staff Training Services	6400				
Board	7100				
General Administration	7200				
School Administration	7300				
Facilities Acquisition and Construction	7400				
Fiscal Services	7500				
Food Services	7600				
Central Services	7700				
Pupil Transportation Services	7800				
Operation of Plant	7900				
Maintenance of Plant	8100				
Community Services	9100				
Interest on Long-term Debt	9200				
Unallocated Depreciation/Amortization Expense*					
Total Component Unit Activities					

General Revenues:	
Taxes:	
Property Taxes, Levied for Operational Purposes	
Property Taxes, Levied for Debt Service	
Property Taxes, Levied for Capital Projects	
Local Sales Taxes	
Grants and Contributions Not Restricted to Specific Programs	
Investment Earnings	
Miscellaneous	
Special Items	
Extraordinary Items	
Transfers	
Total General Revenues, Special Items, Extraordinary Items, and Transfers	
Change in Net Assets	
Net Assets - July 1, 2004	
Net Assets - June 30, 2005	

*This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District of Palm Beach County, Florida (the "District") have been prepared to conform to Accounting Principles Generally Accepted in the United State of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Pursuant to Florida Statutes, Section 237.01, the Superintendent of Schools is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education. The following is a summary of the more significant of these policies:

A. Reporting Entity

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

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. In accordance with GASB 14, "The Financial Reporting Entity," 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 is either able to impose its will on the organization or 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 units and/or joint ventures reportable within the accompanying financial statements are the Palm Beach School Board Leasing Corporation, (the "Corporation") and thirty-two of the thirty-six Charter Schools operating within the District. The other four District Charter Schools are component units of other entities.

Blended Component Unit - The Corporation's sole purpose is to provide for financing and construction of certain District school facilities. Additionally, the Corporation is legally separate from the District and the Board of the Corporation consists of the seven Board members of the District. Therefore, the financial activities of the Corporation have been blended (reported as of if it were part of the District) with those of the District.

Discretely Presented Component Units - Florida State Statute 228.056 authorized the establishment of Charter Schools as part of the State's education program. All Charter Schools are fully recognized as public schools. As such, Charter Schools are funded on the same basis and are subject to the same financial reporting requirements as the District. Additionally, all students enrolled in Charter Schools are included in the District's total enrollment. Currently, there are thirty-two Charter Schools operating within the School District of Palm Beach County meeting the criteria for presentation as a discretely presented component unit.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Exhibit D-1
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The thirty-two individual Charter Schools are listed below. Further, complete financial statements of the individual component units can be obtained from their administrative offices. These schools include:

Academy for International Studies
757 Lighthouse Drive
North Palm Beach, Florida 33408

Academy for Positive Learning
128 North C Street
Lake Worth, Florida 33460

Bright Futures International
757 Lighthouse Drive
North Palm Beach, Florida 33408

Chancellor Charter School at Lantana
600 South East Coast Avenue
Lantana, Florida 33462

Charter School of Boynton Beach
801 North Congress Ave., Suite 529
Boynton Beach, Florida 33426

Corebridge Educational Academy
7887 North Federal Highway
Boca Raton, Florida 33487

DayStar Academy of Excellence
970 North Seacrest Blvd.
Boynton Beach, Florida

Delray Boynton Academy
425 NE 10th Avenue
Boynton Beach, Florida 33435

Delray Youth Vocational Charter School
610 North Congress Ave., Unit 110
Delray Beach, Florida 33445

Ed Venture Charter School
117 East Coast Avenue
Hypoluxo, Florida 33462

Everglades Preparatory Academy
183 South Lake Avenue
Pahokee, Florida 33476

G-STAR School of the Arts
2065 Prairie Road, Building J
West Palm Beach, Florida 33406

Glades Academy
1200 East Main Street
Pahokee, Florida 33476

Good Schools for All Leadership
40 NW 4th Avenue
Delray Beach, Florida 33444

Guided Path Academy
1199 West Lantana Road, Building 3
Lantana, Florida 33462

Gulfstream Goodwill Career Academy
269 NE 14th Street
Boca Raton, Florida 33432

Hope Learning Community of Riviera Beach
21 West 22nd Street
Riviera Beach, Florida 33404

The IMAGINE School
2580 Metrocentre Blvd.
West Palm Beach, Florida 33407

Inlet Grove Community High School, Inc.
7071 Garden Road
Riviera Beach, Florida 33404

JFK Medical Center Charter School
4696 Davis Road
Lake Worth, Florida 33461

Joseph Littles-Nguzo Saba Charter School
5829 Corporate Way, 2nd Floor
West Palm Beach, Florida 33407

Lakeside Academy Charter School
710 South Main Street
Belle Glade, Florida 33430

Montessori Academy of Northern Palm Beach
P.O. Box 31847
Palm Beach Gardens, Florida 33420

Palm Beach School for Autism, Inc.
1199 West Lantana Road, Cottage #16
Lantana, Florida 33462

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

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Renaissance Learning Center
5800 Corporate Way
West Palm Beach, Florida 33407

Riviera Beach Academy
80 30th Street
Riviera Beach, Florida 33404

South Tech Charter School
1300 S.W. 30th Avenue
Boyton Beach, Florida 33426

Spanish Academy Charter School
447 NW Spanish River Blvd.
Boca Raton, Florida 33431

Survivors Charter School
1310 North Congress Avenue
West Palm Beach, Florida 33409

Survivors Charter School of Boynton Beach
1325 Gateway Blvd
Boynton Beach, Florida 33426

Toussaint L' Overture
95 N.E. 1st Avenue
Delray Beach, Florida 33444

Western Academy Charter School
500 F-K Royal Plaza Road
Royal Palm Beach, Florida 33411

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. The thirty-two Charter Schools are not included in this report inasmuch as the revenues and expenditures are not material to the financial statements presented as a whole.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The Statement of Net Assets and the Statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of 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. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity – whether current year revenues were sufficient to pay for current year services. The Proprietary Fund is accounted for on an "economic resources" measurement focus. Accordingly, the Statement of Revenues, Expenses and Changes in Fund Equity for the Proprietary Fund reports increases and decreases in total economic net worth. The fiduciary funds are reported using the economic resources measurement focus.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most District functions are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in the Proprietary Fund and Fiduciary Funds) are accounted for through Governmental Funds. The measurement focus is based upon determination of changes in financial resources rather than upon determination of net income. The following are the District's major governmental funds:

General Fund

The General Fund is the primary operating fund of the District. Ad valorem tax revenues, revenues from the Florida Education Finance Program ("FEFP") and other receipts not allocated by law or contractual agreement to other funds are accounted for in this fund. Similarly, general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from this fund.

Other Debt Service Fund

The Other Debt Service Fund accounts for the repayment of the Certificates of Participation.

Local Capital Improvements Capital Projects Fund

The Local Capital Improvements Capital Projects Fund accounts for locally received funds, primarily ad valorem tax revenue, for the acquisition, construction or renovation of capital facilities, including land and equipment.

Other Capital Projects Fund

The Other Capital Projects Fund accounts for various other construction projects and equipment purchases.

Other Governmental Funds

The other governmental funds are a summarization of all the non-major governmental funds.

PROPRIETARY FUNDS

Proprietary funds are used to account for ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is based upon the determination of net income. The only proprietary fund that the District has is an internal service fund.

Internal Service Fund

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's only internal service fund accounts for the District's maintenance services.

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.

Agency Funds

Agency Funds consist of activity funds, which are established at each school to account for 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations

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 recorded in the financial records and reported on 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 also 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 available and measurable. "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 ad valorem taxes as available if they are collected within sixty (60) days after year-end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt and compensated absences which are recognized when due.

In applying the susceptible to accrual concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. 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 deferred revenue or due from other agencies.

Accrual

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

Revenue Recognition

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. 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.

The District receives 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. Any unused money is returned to the FDOE and so recorded in the year returned.

The District, at various times, receives authorization for the expenditure of funds for PECO, Classrooms First, Effort index grant and Class size reduction projects from the State of Florida. For state reporting purposes, PECO, Classrooms First, Effort index grant and Class size reduction revenue is recognized at the time authorization is approved by the State. For financial reporting purposes however, as there is no assurance that all funds made available will be spent and since authorizations are made available for several years, revenue is not recognized until the expenditure is incurred in both the government-wide financial statements and the fund financial statements.

Property Taxes

On an accrual basis, property tax revenue 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.

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

Revenues and 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 generally accepted accounting principles, except for encumbrances. The budgetary process includes encumbrances in the current year budget and 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 through September 7, 2005, the date of the final amendment approved by the Board. Significant dates in the budgeting timetable follow:

1. The Palm Beach County Property Appraiser certifies to the District the taxable value of all nonexempt District property by July 1 of each year, or the Clerk of the Circuit Court is required to certify an interim tax roll.
2. Within 24 days of tax roll certification, the Board considers and approves for advertising a tentative budget.

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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 Palm Beach County Property Appraiser of proposed millage rates.
6. 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. All budget amendments that are categorized as federal or state grants must have state approval as well as Board approval. The Board is not legally authorized to approve expenditures that exceed appropriations; therefore, during fiscal year 2005, budget amendments were approved as necessary to comply with legal requirements.

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. Undesignated fund balances at June 30, 2005 for funds under budgetary control have been reappropriated for the fiscal year 2006 operating budget within the appropriate fund. Programs reserved for carryover include all state categorical grants required to be expended on specific programs and District approved carryover programs.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of an applicable appropriation, is utilized for budgetary control purposes. Encumbrances are not the equivalent of expenditures, and accordingly, amounts reserved 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 presented on the financial statements. Investments are stated at fair value. Investments consist of direct obligations of the United States Treasury, U.S. Government Agency Securities, and money market funds investing in U.S. Treasury Securities. For purposes of the statement of cash flows, cash equivalents are considered to be the money market funds and all highly liquid investments with a maturity of three months or less when purchased.

F. Inventories

Inventories are valued at cost, which approximates market, using the average cost method. The District's inventories include various items consisting of school supplies, paper, books, maintenance items, transportation items, commodities, etc. USDA commodities received from the federal government are recorded at the value established by the federal government using the average cost method. Inventoriable items are recorded as expenditures when shipped to schools and department offices (the consumption

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method). The reserve for inventories 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 not available for appropriation and expenditure.

G. Capital Assets

Capital assets represent the cumulative amount of fixed assets owned by the District. Purchased assets are recorded as expenditures in the fund financial statements and capitalized at cost on the government-wide statement of net assets. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

The District's capitalization levels are \$1,000 on tangible personal property, \$100,000 on building improvements and \$50,000 on improvements other than buildings. Other costs incurred for repairs and maintenance are expensed as incurred. All reported fixed assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio/Video Materials & Software	3 years
Buildings and Improvements	15 - 50 years
Improvements Other Than Buildings	15 years

H. Long-term Debt

In the fund-level financial statements, governmental funds report the face amount of debt issued, as well as any premiums (discounts) as other financing sources (uses). Debt issuance costs are reported as debt service expenditures. In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net assets. Debt premiums, discounts, issuance costs, as well as deferred amounts on refundings, are deferred and amortized over the life of the debt.

I. Self Insurance

The District is self-insured for portions of its general and automobile liability insurance and workers' compensation. 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 6).

J. Compensated Absences

Compensated absences are payments 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 is payable to employees upon termination or retirement at the current rate of pay on the date of termination or retirement. The costs of vacation and sick leave benefits are budgeted and expended in the respective operating funds when payments are made to employees.

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 current portion is the amount estimated to be used in the following year. Consistent with GAAP guidelines, for the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations. An expenditure is recognized in the governmental fund as payments come due each period, for example, as a result of employee resignations and retirements.

K. Reserves of Fund Equity

Portions of Fund Equity that have been reserved indicate the designated amount of fund balance that cannot be appropriated for expenditures since it is legally segregated for a specific future use. In addition, the District established a reservation of Fund Equity for Board Contingency that will ultimately accumulate to 3% of the total annual General Fund appropriations and transfers.

L. 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 and liabilities and disclosures of contingent assets and liabilities 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.

2. AD VALOREM TAXES

The Board is authorized by Florida Statutes to levy property taxes for District operations, capital improvements and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. The Palm Beach County Property Appraiser assesses property values and the Palm Beach County Tax Collector collects the property taxes.

Property values are assessed as of January 1 each year. The Board levies the property tax at the final budget hearing each year based on the assessed valuation of all non-exempt property. This levy finances the expenditures of the current fiscal year. Tax bills are mailed by the Palm Beach County Tax Collector on November 1 and are due no later than April 1. After this date, taxes become an enforceable lien on property. Discounts of up to four percent are available for early payment. The majority of ad valorem taxes are collected in November and December and remitted to the School Board. Section 197.383, Florida Statutes, requires the Palm Beach County Tax Collector to distribute the taxes collected to each taxing authority at least four times during the first two months after the tax roll comes into the Tax Collector's possession, and at least once per month thereafter. Taxes are considered delinquent if not paid by April 1. State law provides for enforcement of collection of taxes by the sale of tax certificates on real property and for levy upon, seizure and sale of personal property after the Palm Beach County Tax Collector initiates a sequence of required procedures resulting in a court order to carry out the action.

The State Legislature prescribes the maximum non-voted millage that may be levied by the Board for each fiscal year. The total millage rate levy was 8.432 mills and the total assessed value on which the 2004-05 levy was based was \$111,489,842,579. Total taxes were \$940,082,354. 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 Section 236.25, Florida Statutes. For fiscal year 2005, the maintenance transfer amounted to \$40,155,460.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

In accordance with §218.415, Florida Statutes, on March 26, 2001, the School District adopted a comprehensive investment policy specifying permitted investments, limits on asset allocation and issuer concentration, maximum investment maturity, and credit rating requirements for all investments. The policy's goals are to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

Cash and Cash Equivalents

Florida Statutes authorize the deposit of District funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All District public deposits are held in qualified public depositories pursuant to chapter 280, Florida Statutes, the "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 25 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 depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. All bank balances of the District are fully insured or collateralized. At June 30, 2005, the carrying amount of the District's cash deposits was (\$7,869,328.62) and the bank balance was \$23,484,328.54. The carrying amount of the School Internal Funds cash deposits was \$12,141,493. The District receives interest on all collected 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 the State of Florida's State Board of Administration (SBA) Local Government Surplus Trust Fund. This investment pool operates as a Securities and Exchange Commission Rule 2a7-like external investment pool under investment guidelines established by Section 215.47, Florida Statutes. The District's direct investment in the pool of \$567,305,837 is reported at amortized cost.

As of June 30, 2005, the Local Government Investment Pool was not rated by a nationally recognized statistical rating agency.

Investments

The District's investment policy permits investments in the Florida Local Government Surplus Funds Trust Fund, securities of the United States Government, U.S. Government Agencies, federal instrumentalities, interest bearing time deposit or savings accounts, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, state and/or local government debt, and money market mutual funds.

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As of June 30, 2005, the District had the following investments and maturities:

Portfolio / Investments	Fair Value	Effective Duration
Tax Anticipation Note Sinking Fund		
Federal Agency Bond/Notes	\$ 55,755,580	0.167
Core Funds		
US Treasury - Notes	\$ 28,534,075	1.483
Federal Agency - Bond/Notes	\$ 44,338,292	1.446
Federal Agency - Mortgage Pass-Throughs	\$ 10,460,723	1.516
Corporate Notes	\$ 4,003,400	2.440
Debt Proceeds		
Certificates of Participation 2004A		
Federal Agency - Bond/Notes	\$ 7,271,784	0.494
Certificates of Participation 2003B		
Federal Agency - Bond/Notes	\$ 8,500,000	0.255
Certificates of Participation 2003A		
Federal Agency - Bond/Notes	\$ 4,499,375	0.248

Interest Rate Risk

To limit exposure to fair value losses resulting from increases in interest rates, the District's Investment Policy limits operating funds to maturities of two years or less. Investments of reserves, project funds, debt proceeds and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

As of June 30, 2005, the District held approximately \$11 million in market value of callable securities issued by Federal Instrumentalities which permit the issuer to redeem the securities prior to their original maturity date. A decrease in interest rate levels could trigger calls on these securities, forcing the District to reinvest the proceeds in lower-yielding securities.

Credit Risk

The District's Investment Policy lists the authorized investment types as well as the minimum allowable credit rating for each investment type.

Corporate notes purchased for investment must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard & Poor's. The maximum length to maturity for corporate notes shall be three (3) years from the date of purchase.

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As of June 30, 2005, the District held a \$4 million corporate note position with a Standard & Poor's rating of AA-. All other rated investments were rated AAA by S&P. As of June 30, 2005, the SBA Local Government Investment Pool was not rated by a nationally recognized statistical rating agency.

Concentration of Credit Risk

The District's Investment Policy specifies the maximum percentage allocation to any single investment type as well as the maximum percentage holding per issuer.

Up to 100% of the portfolio may be invested in the Florida Local Government Surplus Funds Trust Fund (SBA) or securities of the United States Government. Investments in Federal Instrumentalities may be no greater than 80% of the portfolio with a maximum of 50% invested with any single issuer. Corporate notes are limited to 15% of the portfolio and no greater than 5% may be in a single issuer.

Issuer Concentration	Fair Value
Federal Home Loan Bank	\$ 19,410,827
Federal Home Loan Mortgage Corp	\$ 64,589,958
Federal National Mortgage Association	\$ 46,805,202
Wells Fargo Bank	\$ 4,003,400
United States Treasury	\$ 28,534,093

As of June 30, 2005, all District investments were in compliance with the District's Investment Policy and did not exceed portfolio allocation or issuer maximums.

Custodial Risk

The District's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution..

A third party custodian is defined as any bank depository chartered by the federal government, the state of Florida, or any other state or territory of the United States which has a branch or principal place of business in the state of Florida as defined in § 658.12, F.S., or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the state of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit.

Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

As of June 30, 2005, the District's investment portfolio was held with a third-party custodian.

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4. DUE FROM OTHER AGENCIES

At June 30, 2005, the District had a total of \$90,230,995.45 in "Due from other governments or agencies". Approximately \$18 million is due from federal, state and local governments for various grant programs. Approximately \$47 million and \$8.5 million is due from the state for the Class Size Reduction Program and Public Education Capital Outlay, respectively. Approximately \$11 million is due from the Federal Emergency Management Agency for damages sustained by recent hurricanes. Another \$3.5 million is due from the federal government for school lunch and breakfast reimbursements.

5. INTERFUND ACTIVITIES

Due to/from other funds consisted of the following balances at June 30, 2005:

	Interfund Receivables	Interfund Payables
General Fund	\$ 9,399,460	\$ -
Other Governmental Funds	-	9,000,000
Agency Fund	-	399,460
Total Interfund	\$ 9,399,460	\$ 9,399,460

The amount payable by the other governmental funds to the General fund is to cover temporary cash shortages in the other governmental funds. The amount payable by the Agency fund to the General fund is for supplemental payroll, bus trips and warehouse orders charged to the General Fund but owed by the Agency Fund.

A summary of interfund transfers as of June 30, 2005 is as follows:

	Transfer In	Transfer Out
General Fund	\$ 40,155,460	\$ -
Other Debt Service Fund	87,726,453	-
Local Capital Improvement Fund	-	122,554,036
Other Capital Projects Fund	-	4,327,877
Other Governmental Funds	-	1000000
Total Transfers	\$ 127,881,913	\$ 127,881,913

The majority of interfund transfers were for recurring annual operating and debt service expenditures.

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6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005 is as follows (in thousands):

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005
<i>Non-Depreciable Assets:</i>				
Land	\$ 215,509	\$ 22,264	\$ (397)	\$ 237,376
Construction in Progress	453,114	301,916	(378,184)	376,846
Total Non-Depreciable Assets	668,623	324,180	(378,581)	614,222
<i>Depreciable Assets:</i>				
Improvements Other Than Buildings	6,375	2,349	-	8,724
Buildings and Improvements	1,917,306	385,689	(19,619)	2,283,376
Furniture, Fixtures & Equipment	182,306	17,981	(14,331)	185,956
Motor Vehicles	69,837	8,638	(3,993)	74,482
Property Under Capital Leases	2,879	-	-	2,879
Audio/Video Materials & Software	32,858	4,984	(536)	37,306
Total Depreciable Assets	2,211,561	419,641	(38,479)	2,592,723
<i>Less Depreciation For:</i>				
Improvements Other Than Buildings	(792)	(581)	-	(1,373)
Buildings and Improvements	(475,160)	(47,710)	17,900	(504,970)
Furniture, Fixtures & Equipment	(122,169)	(18,713)	13,282	(127,600)
Motor Vehicles	(37,827)	(5,912)	3,501	(40,238)
Property Under Capital Leases	(445)	(412)	-	(857)
Audio/Video Materials & Software	(25,239)	(2,960)	455	(27,744)
Total Accumulated Depreciation	(661,632)	(76,288)	35,138	(702,782)
Capital Assets, Net	\$ 2,218,552	\$ 667,533	\$ (381,922)	\$ 2,504,163

Depreciation expense for the year ended June 30, 2005 of \$76,287,791.47 was not allocated to specific functions. The District's capital assets essentially serve all functions and as such the depreciation expense is included as a separate line item in the statement of activities.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; natural disasters. The District is completely self-insured of errors and omissions. The District is self-insured for automobile and general liability claims for the first \$100,000 per person \$200,000 per accident. The workers' compensation program is self-insured up to \$500,000 per injury to satisfy indemnity and medical costs. These self-insured funds are administered by a third party. The District purchases commercial insurance for certain risks in excess of coverage and certain other risks of loss.

The claims liability is based on an actuarial evaluation performed by an independent actuary as of June 30, 2005 using a discounted rate factor of 5.0%. The liability consists of claims reported and payable, as well as an estimate for claims incurred but not reported. At June 30, 2005, the liability for insurance claims consisted of \$7,413,000 for auto and general liability and \$32,990,000 for workers' compensation.

A summary of changes in the estimated liability for self-insured risks is as follows:

	Fiscal Year Ended June 30, 2005	Fiscal Year Ended June 30, 2004
Beginning Balance	\$ 37,296,000	\$ 36,639,000
Additions:		
Current year claims and changes in estimates	21,486,289	19,931,520
Reductions:		
Claim payments	(18,379,289)	(19,274,520)
Ending Balance	\$ 40,403,000	\$ 37,296,000

The District maintains insurance coverage for other areas of risk. There have been no other significant reductions in insurance coverage. There have been no settlements that exceeded the District's coverage for fiscal years ended June 30, 2003, 2004 and 2005.

8. TAX ANTICIPATION AND COMMERCIAL NOTES PAYABLE

Tax Anticipation Notes

On October 21, 2004, the District issued Tax Anticipation Notes ("TANS"), Series 2004. This \$55,000,000 issue was sold at a coupon interest rate of 3.00 percent with an effective yield of 1.701 percent. Interest costs incurred on this issue for the year ended June 30, 2005, were \$656,032 net of a premium of \$485,218. Note proceeds were used to pay fiscal year 2005 District operating expenditures prior to the receipt of ad valorem taxes. TANS are subject to arbitrage rebate. There was no arbitrage rebate due on the TANS, Series 2004. The notes are due September 28, 2005.

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Short-term debt activity for the year ended June 30, 2005 was as follows:

	<u>Beginning Balance June 30, 2004</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance June 30, 2005</u>
Tax anticipation notes	\$45,000,000	\$55,000,000	\$(45,000,000)	\$55,000,000

Sales Tax Revenue Commercial Paper Notes

The District has established a commercial paper debt program whereby Sales Tax Revenue Commercial Paper Notes issued are payable from and secured by a pledge of the proceeds received by the District from the levy and collection of a one-half cent discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes. On November 2, 2004, the voters of Palm Beach County approved the levy of a one-half cent sales surtax for the construction and modernization of public schools. Collection of the tax began on January 1, 2005 and the collection of the tax will cease on December 31, 2010.

The School Board has authorized the issuance of commercial paper notes in an aggregate amount not to exceed \$300,000,000. As of June 30, 2005, a total of \$250,000,000 had been issued.

January 12, 2005	School Board Authorized	\$300,000,000
January 21, 2005	Offering Statement	\$275,540,000
June 30, 2005	Outstanding Notes	\$250,000,000

The purpose of the notes is to finance, together with other available funds of the District, the cost of acquisition, construction and installation of, and renovation to, certain capital improvements and educational facilities within the District and to pay costs associated with the issuance of the notes.

The District's commercial paper debt program is administered as follows: The notes mature within 270 days of issuance, with interest payable at maturity based on market rates not to exceed 12%. The notes are not subject to redemption prior to maturity. As each group of notes comes due, new notes are issued to refinance the principal amount, and current revenues of the District are used to pay the interest amount due. In addition, through January 31, 2008, the District will maintain an irrevocable, direct-pay letter of credit with a bank to facilitate the refinance of outstanding notes. The District's intent is to continue to refinance maturing notes until such time as the notes are retired through the use of future years' revenues or through issuance of long-term debt. Outstanding obligations under this program are reported as short-term liabilities in the government-wide statement of net assets.

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9. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2005, is as follows (in thousands):

	Beginning Balance 6/30/04	Additions	Reductions	Ending Balance 6/30/05	Amounts Due Within One Year
Governmental Activities:					
Bonds and Leases Payable:					
Capital Outlay Bond Issue	\$ 50,735	\$ -	\$ (3,415)	\$ 47,320	\$ 3,605
General Obligation Bonds	103,665	-	(24,110)	79,555	25,280
Capital Lease	1,862	-	(961)	901	902
Certificates of Participation	1,431,453	163,135	(147,880)	1,446,708	29,060
	<u>1,587,715</u>	<u>163,135</u>	<u>(176,366)</u>	<u>1,574,484</u>	<u>58,847</u>
Plus (Less) Issuance Premium (Discount)	28,136	11,353	(3,328)	36,161	-
Less Deferred Amount on Refundings	(12,877)	(11,621)	1,406	(23,092)	-
Total Bonds and Leases Payable	<u>1,602,974</u>	<u>162,867</u>	<u>(178,288)</u>	<u>1,587,553</u>	<u>58,847</u>
Other Liabilities:					
Compensated Absences	135,523	23,675	(12,393)	146,805	10,612
Claims and Judgments	37,296	21,486	(18,379)	40,403	9,810
Post Retirement Benefits	6,083	-	(2,580)	3,503	2,197
Total Other Liabilities	<u>178,902</u>	<u>45,161</u>	<u>(33,352)</u>	<u>190,711</u>	<u>22,619</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,781,876</u>	<u>\$ 208,028</u>	<u>\$ (211,640)</u>	<u>\$ 1,778,264</u>	<u>\$ 81,466</u>

The compensated absences, claims and judgments and postretirement benefits are generally liquidated by the general fund.

State Board of Education Capital Outlay Bond Issues

State Board of Education Capital Outlay Bond Issues ("COBI") are serviced entirely by the state using a portion of the District's share of revenue derived from motor vehicle license taxes pursuant to Chapter 320, Florida Statutes, and Article XII, Section 9(d), of the Florida Constitution. The State Board of Administration determines the annual sinking fund requirements. The amounts necessary to retire bonds and interest payable are withheld from the entitlement to the District. Interest rates on the COBI bonds range from 3.00 percent to 6.00 percent. Interest is payable semiannually on January 1 and July 1. The bonds are redeemable at par.

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General Obligation Bond Issues

General Obligation Bonds constitute general obligations of the District and are payable from ad valorem taxes levied on all taxable property within the District without limitation as to rate or amount. These bonds carry interest rates ranging from 3.5% - 5.0%. Interest is payable semiannually on February 1 and August 1. All bonds issued are subject to arbitrage rebate, however, at June 30, 2005, the arbitrage was zero.

Defeased Debt

In prior years, the District defeased certain certificates of participation by creating separate irrevocable trust funds. New debt has been issued and the proceeds used to purchase U.S. Government Securities that were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments. These investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the financial statements. As of June 30, 2005, the total amount of defeased debt outstanding but removed from the District's financial statements amounted to \$320,575,000.

In a prior year, the District advance refunded certain certificates of participation which will meet the requirements of an in-substance debt defeasance on August 1, 2005 and August 1, 2006. At that time, the liability for the refunded certificates will be removed from the District's financial statements. At June 30, 2005 the amount of refunded debt to be defeased but still remaining on the District's financial statements amounts to \$96,555,000.

Annual Debt Service Requirements

Annual requirements to amortize all bond issues outstanding as of June 30, 2005 are as follows (in thousands):

Year Ended June 30	Capital Outlay Bonds	General Obligation Bonds	Total Interest	Total Principal and Interest
2006	\$ 3,605	\$ 25,280	\$ 5,501	\$ 34,386
2007	3,800	26,510	4,084	34,394
2008	2,885	27,765	2,575	33,225
2009	3,080	-	1,756	4,836
2010	3,290	-	1,622	4,912
2011-2015	19,770	-	5,494	25,264
2016-2020	8,670	-	1,372	10,042
2021-2024	2,220	-	187	2,407
Total	\$ 47,320	\$ 79,555	\$ 22,591	\$ 149,466

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The District is subject to state laws that limit the amount of debt outstanding to 10% of the non-exempt assessed valuation. At June 30, 2005 the statutory limit for the District was approximately \$11.1 billion, providing additional debt capacity of approximately \$11.0 billion.

Capital Lease

The District entered into a lease agreement on May 12, 2003 that qualifies as a capital lease for accounting purposes and has been recorded at the present value of the future minimum lease payments as of the inception date of the lease.

The following is a schedule of the District's future minimum lease payments under the capital lease, and the present value of the net minimum lease payments as of June 30, 2005:

<u>Fiscal Year Ending June 30</u>	<u>Minimum Lease Payments</u>
2006	<u>911,777</u>
Total minimum lease payments	911,777
Less: Amount representing interest	<u>(10,623)</u>
Present value of future minimum lease payments	<u><u>\$901,154</u></u>

Certificates of Participation

On November 16, 1994, the District entered into a Master Lease Purchase Agreement (the "Master Lease") dated November 1, 1994, with the Palm Beach School Board Leasing Corporation, a Florida not-for-profit corporation, to finance the acquisition and construction of certain facilities, and equipment for District operations. The Corporation was formed by the Board solely for the purpose of acting as the lessor for Certificates of Participation financed facilities, with the District as lessee. On November 1, 1994, June 1, 1995, May 1, 1996, February 1, 2000, April 1, 2001, February 1, 2002, March 21, 2002, May 15, 2002, December 10, 2002, June 10, 2003, June 24, 2003, April 8, 2004, and May 26, 2005 the Corporation issued Certificates of Participation ("Certificates") Series 1994A, Series 1995A, Series 1996A, Series 2000A, Series 2001A, Series 2002A, Series 2002B, Series 2002C, Series 2002D, Series 2003A, Series 2003B, Series 2004A, Series 2005A and Series 2005B in the amounts of \$62,095,000, \$133,600,000, \$32,155,000, \$155,000,000, \$135,500,000, \$115,250,000, \$115,350,000, \$161,090,000, \$191,215,000, \$60,865,000, \$124,295,000, \$103,575,000, and \$38,505,000 respectively, to third parties, evidencing undivided proportionate interest in basic lease payments to be made by the District, as lessee, pursuant to the Master Lease. Simultaneously therewith, the Board as lessor entered into Ground Leases with the Corporation for the Series 1994A, Series 1995A, Series 1996A, Series 2000A, Series 2001A, Series 2002A, Series 2002B, Series 2002C, Series 2002D, Series 2002E, Series 2003A, Series 2003B, Series 2004A, and Series 2005B Facilities sites. On September 1, 1997 the District issued \$47,145,000 of Certificates of Participation Series 1997A to advance refund and defease a portion of the Series 1994A Certificates of Participation which mature on or after August 1, 2005. On July 24, 2001 the District issued \$169,445,000 of Certificates of Participation Series 2001B to advance refund and defease the Series 2000A Certificates of Participation. On September 5, 2002 the District issued \$93,350,000 of Certificates of Participation Series 2002E to advance refund and defease a portion of the Series 1995A and Series 1996A

Certificates of Participation which mature on or after August 1, 2007. On February 25, 2005 the District issued \$124,630,000 of Certificates of Participation Series 2005A to advance refund and defease a portion of the Series 2001A, Series 2002A, Series 2002C and Series 2002D Certificates of Participation. These refunding issues were done in order to achieve debt service savings. (See Defeased Debt.)

On June 11, 2002 and April 30, 2004, the District sold Certificates of Participation, Series 2002 and Series 2004 Qualified Zone Academy Bonds ("QZAB") in an aggregate principal amount of \$950,000 and \$2,923,326 respectively. The QZAB program is a new financial instrument that provides a different form of subsidy from traditional tax-exempt bonds. Interest on QZAB's is paid by the federal government in the form of an annual tax credit to an eligible financial institution that holds the QZAB. The QZAB issuer is responsible for repayment upon maturity. The tax credits and bonding authority are made available by the federal government to support innovative school partnerships; enhance reform initiatives, including augmenting Federal education programs, technology and vocational equipment; and development of curriculum or better teacher training to promote market driven technology. To be eligible, a school must:

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

The principal of the Series 2002 and Series 2004 QZAB certificates are payable on July 16, 2016, and April 30, 2020 respectively. The District deposits funds annually in an escrow, which when coupled with interest earnings will be sufficient to pay off the principal at maturity.

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 Series 1994A, Series 1995A, Series 1996A, Series 2001A, Series 2002A, Series 2002B, Series 2002C, Series 2002D, Series 2003A, Series 2003B and Series 2004A Facilities by the District and the Trustee's re-letting for the remaining Ground Lease term, or the voluntary sale of the Series 1994A, Series 1995A, Series 1996A, Series 2001A, Series 2002A, Series 2002B, Series 2002C, Series 2002D, Series 2003A, Series 2003B, Series 2004A, and Series 2005B Facilities by the School Board. In either case, the proceeds will be applied against the School Board's obligations under the Master Lease. A summary of lease terms are presented as follows:

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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<u>Certificates</u>	<u>Ground Lease Term</u>
Series 1994A	June 30, 2020
Series 1995A	June 30, 2020
Series 1996A	August 1, 2021
Series 2001A	August 1, 2031
Series 2002A	August 1, 2023
Series 2002B	August 1, 2032
Series 2002C	August 1, 2032
Series 2002D	August 1, 2033
Series 2003A	August 1, 2026
Series 2003B	August 1, 2034
Series 2004A	August 1, 2034
Series 2005B	August 1, 2015

The Certificates are not separate legal obligations of the Board but represent undivided proportionate interests in lease payments to be made from appropriated funds budgeted annually by the School Board for such purpose from current or other funds authorized by law and regulations of the Department of Education, including the local optional millage levy. However, neither the Board, the District, the State of Florida, nor any political subdivision thereof are obligated to pay, except from Board appropriated funds, any sums due under the Master Lease from any source of taxation. The full faith and credit of the Board and the District are not pledged for payment of such sums due under the Master Lease, and such sums do not constitute an indebtedness of the Board or the District within the meaning of any constitutional or statutory provision or limitation. A trust fund was established with a Trustee to facilitate payments in accordance with the Master Lease and the Trust Agreement. Various accounts are maintained by the Trustee in accordance with the trust indenture. Interest earned on invested funds is applied toward the basic lease payments. Basic lease payments are deposited with the Trustee semi-annually on June 30 and December 30, and are payable to Certificate holders on August 1 and February 1.

Due to the economic substance of the issuances of Certificates of Participation as a financing arrangement on behalf of the Board, the financial activities of the Corporation have been blended in with the financial statements of the District. For accounting purposes, due to the blending of the Corporation within the District's financial statements, basic lease payments are reflected as debt service expenditures when payable to Certificate holders. Payment of the outstanding Certificates of Participation is insured through AMBAC Indemnity Corporation. During the year ended June 30, 2005, \$219,229,370 was expended for capital outlay in the Certificates of Participation Capital Projects Funds.

Floating-to-Fixed Cancelable Interest Rate Swap: In connection with the issuance on March 21, 2002 of the \$115,350,000 variable-rate Certificates of Participation Series 2002B, the District entered into a floating-to-fixed cancelable interest rate swap, effective through August 1, 2027, to hedge against future increases in interest rates. The swap will effectively convert the Certificates into 25-year synthetic fixed rate debt obligations with a coupon of 4.22%. In exchange for an upfront premium payment of \$6,142,000 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 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 LIBOR. The counterparty can pay this lower Alternate Rate if the 180-day average of the BMA/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 Certificates and swap together create low cost, long-term synthetic fixed-rate debt for the District. At June 30, 2005, the swap had a negative fair value of \$20,493,675 based on mid-market values as of the close of business.

\$100 Million Fixed Margin Basis: On June 10, 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 BMA index less a fixed margin of 66.5 bps. The swap produces expected PV savings of \$10.68 million based on an assumed future average ratio of BMA 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 cashflow 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, 2005, the swap had a negative fair value of \$599,142 based on mid-market values as of the close of business.

Floating-to-Fixed Knockout Interest Rate Swap: In connection with the issuance on June 24, 2003 of \$124,295,000 of variable rate Certificates of Participation Series 2003B, 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 BMA 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, 2005, the swap had a negative fair value of \$10,462,993 based on mid-market values as of the close of business.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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The debt service requirements through maturity to the holders of the Certificates of Participation, which will be serviced by the annual lease payments, is as follows (in thousands):

Year ended June 30	Series 1995-A	Series 1996-A	Series 1997-A	Series 2001-A	Series 2001-B	Series 2002-A	Series 2002-B	Series 2002-C	Series 2002-D	Series 2002-E
2006	\$ 6,115	\$ 1,430	\$ 3,185	\$ 1,995	\$ 565	\$ 5,840	\$ -	\$ 1,495	\$ 2,975	\$ -
2007	6,480	1,500	3,320	1,400	580	6,015	-	2,220	3,235	-
2008	6,870	1,575	3,475	710	605	6,200	-	3,015	3,645	8,200
2009	7,215	1,655	3,635	1,070	625	6,320	-	2,870	3,660	8,610
2010	7,585	1,740	3,805	450	650	6,620	-	3,555	3,850	9,045
2011-2015	44,405	10,225	22,030	2,825	3,685	37,160	-	19,890	21,575	52,735
2016-2020	10,365	4,920	5,105	2,810	54,070	6,755	13,465	820	10,335	14,760
2021-2025	-	-	-	31,305	87,115	-	59,435	34,415	25,690	-
2026-2030	-	-	-	40,175	20,120	-	42,450	66,650	92,230	-
Total	\$ 89,035	\$ 23,045	\$ 44,555	\$ 82,740	\$ 168,015	\$ 74,910	\$ 115,350	\$ 134,930	\$ 167,195	\$ 93,350

Year ended June 30	Series 2003-A	Series 2003-B	Series 2004-A	Series 2005-A	Series 2005-B	Series 2002- QZAB	Series 2004- QZAB	Total Lease Payment	Total Interest	Total Lease Payment & Interest
\$ 2,006	\$ 2,885	\$ -	\$ 2,575	\$ -	\$ -	\$ -	\$ -	\$ 29,060	\$ 65,526	\$ 94,586
2007	2,945	-	2,625	175	7,110	-	-	37,605	65,702	103,307
2008	3,005	-	2,680	180	7,395	-	-	47,555	64,082	111,637
2009	3,065	-	2,730	185	7,660	-	-	49,300	62,139	111,439
2010	3,130	-	2,795	190	8,020	-	-	51,435	60,048	111,483
2011-2015	16,875	-	15,395	1,040	8,320	-	-	256,160	265,872	522,032
2016-2020	20,325	-	19,205	97,840	-	950	-	261,725	200,787	462,512
2021-2025	6,475	19,150	24,425	25,020	-	-	2,923	315,953	131,969	447,922
2026-2030	-	105,145	31,145	-	-	-	-	397,915	46,710	444,625
Total	\$ 58,705	\$124,295	\$103,575	\$124,630	\$ 38,505	\$ 950	\$ 2,923	\$ 1,446,708	\$ 962,835	\$2,409,543

10. RETIREMENT PLANS

Plan Description: The District contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida Division of Retirement. The system was created in 1970 by consolidating several employee retirement systems, including the Teachers Retirement System. All eligible employees, as defined by the State, who were hired after 1970 and those employed prior to 1970 who elect to be enrolled, are covered by the System. Employees hired prior to 1970 and not electing to enroll in the Florida Retirement System may be covered by various contributory plans, principally the Teacher's Retirement System Plan E. The system provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature established the System under Chapter 121, Florida Statutes, and has sole authority to amend benefit provisions. Each year the System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560.

Funding Policy: The system is non-contributory for employees and the District is required to contribute an actuarially determined rate. During the fiscal year the rates ranged from 7.39% to 18.53% of annual covered payroll. The Teachers Retirement System is contributory and the rates for those employees still participating in this program is 11.35% and 6.25% for the employer and the employee, respectively. The contributions of the District are established and may be amended by the State Legislature. The District's contributions for both plans to the System are equal to the required contributions for each year as follows:

	June 30, 2003	June 30, 2004	June 30, 2005
Florida Retirement System	\$ 43,442,049	\$ 57,415,837	\$ 61,354,189
Teachers' Retirement System			
Plan E: Employer	144,275	101,044	85,762

11. POST RETIREMENT BENEFITS

In addition to the retirement benefits described in Note 10, the District has authorized early retirement incentives to provide financial assistance for the purchase of health and life insurance to our retirees. In all cases, employees who retire from the District may purchase health and life insurance through the District. The newly retired employee must send a payment each month to cover the cost of the insurance premiums.

For those eligible employees who qualify for one of the Retirement Incentive Programs ("RIP"), listed below are brief descriptions and eligibility criteria of the various Plans:

RIP 1996 – Eligibility criteria included being an administrator of any age with at least 25 years of service with the District. The District pays an annual insurance subsidy for up to ten years. The subsidy amount depends on the age of the retiree. For instance, the retiree receives an annual amount of \$2,300 until the fiscal year following the retiree's 65th birthday, wherein the annual amount changes to \$1,500. The retiree may purchase insurance through the District or another vendor if they choose. In addition, the eligible retiree receives a life insurance benefit of \$50,000 for up to ten years or the age of 70, which ever comes first.

RIP 1999 – Eligibility criteria include the following:

- 30 years of service with the Palm Beach County School District or
- Age 62 or higher (60 or higher if in TRS) with at least 10 years of service with the Palm Beach County School District or
- Employees whose age plus years of service equal or exceed 80 and
- Employees must retire between April 21, 1999 and June 30, 2000.

The District pays an annual insurance subsidy for up to ten years beginning at \$2,400 and increasing 3% each year thereafter. Payments for this subsidy began August 1999 and are paid each August thereafter.

The government-wide financial statements recognize a liability for these post-retirement benefits. Consistent with GAAP guidelines, in the Governmental Funds statements no expenditure or liability is recognized until the benefits are due. A summary of the total estimated expenditures for the fiscal year ended June 30, 2005 is as follows:

	Number of Participants	Insurance Subsidy	Sick leave	Total Paid FY 2005
RIP 96	27	52,100	-	52,100
RIP 99	112	303,914	2,210,386	2,514,300
Total	139	\$ 356,014	\$ 2,210,386	\$ 2,566,400

* Net of Florida Retirement System subsidy if applicable

12. 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 the amount of revenue which may be remitted back to the state due to errors in the FTE count or the amount of grant expenditures which may be disallowed by granting agencies, 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 is 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.

The District is 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 estimate liability for insurance risks and pending claims in the accompanying financial statement, 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; the final settlements of these matters will not result in a material adverse effect on the financial position of the District.

As part of its capital outlay program, the District has entered into various construction contracts. At June 30, 2005, the District had construction commitments of approximately \$221 million.

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

For the Fiscal Year Ended June 30, 2005

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	546,000.00	711,767.00	711,767.79	0.79
Federal Through State	3200	3,400,000.00	3,285,277.00	3,285,277.45	0.45
State Sources	3300	414,720,921.00	410,750,597.00	410,759,892.82	9,295.82
Local Sources	3400	694,495,185.00	705,112,469.00	705,112,474.60	5.60
Total Revenues		1,113,162,106.00	1,119,860,110.00	1,119,869,412.66	9,302.66
EXPENDITURES					
Current:					
Instruction	5000	783,477,218.00	779,501,522.00	738,091,770.40	41,409,751.60
Pupil Personnel Services	6100	36,999,622.00	37,652,451.00	36,393,490.88	1,258,960.12
Instructional Media Services	6200	17,342,421.00	17,568,401.00	16,613,981.18	954,419.82
Instruction and Curriculum Development Services	6300	30,707,624.00	32,694,517.00	32,192,066.99	502,450.01
Instructional Staff Training Services	6400	14,706,086.00	15,272,549.00	14,196,154.15	1,076,394.85
Board	7100	5,237,889.00	4,863,814.00	4,189,517.21	674,296.79
General Administration	7200	6,932,415.00	7,455,579.00	6,855,033.09	600,545.91
School Administration	7300	83,775,101.00	84,105,649.00	82,066,840.40	2,038,808.60
Facilities Acquisition and Construction	7410	450,269.00	555,791.00	479,837.55	75,953.45
Fiscal Services	7500	4,271,005.00	4,442,236.00	4,297,823.19	144,412.81
Food Services	7600				
Central Services	7700	20,423,702.00	19,963,005.00	18,302,267.32	1,660,737.68
Pupil Transportation Services	7800	37,772,417.00	40,365,603.00	39,748,214.35	617,388.65
Operation of Plant	7900	104,345,904.00	110,326,567.00	107,411,421.70	2,915,145.30
Maintenance of Plant	8100	36,628,683.00	49,406,889.00	44,884,126.02	4,522,762.98
Community Services	9100	21,773,681.00	24,830,668.00	19,725,286.57	5,105,381.43
Debt Service: (Function 9200)					
Retirement of Principal	710				
Interest	720	545,496.00	772,495.00	772,493.50	1.50
Dues, Fees and Issuance Costs	730				
Miscellaneous Expenditures	790				
Capital Outlay:					
Facilities Acquisition and Construction	7420	30,000.00	71,820.00	66,629.00	5,191.00
Other Capital Outlay	9300	1,267,035.00	1,963,880.00	1,489,112.67	474,767.33
Total Expenditures		1,206,686,568.00	1,231,813,436.00	1,167,776,066.17	64,037,369.83
Excess (Deficiency) of Revenues Over (Under) Expenditures		(93,524,462.00)	(111,953,326.00)	(47,906,653.51)	64,046,672.49
OTHER FINANCING SOURCES (USES)					
Long-Term Bonds Issued	3710				
Premium on Sale of Bonds	3791				
Discount on Sale of Bonds	891				
Refunding Bonds Issued	3715				
Premium on Refunding Bonds	3792				
Discount on Refunding Bonds	892				
Certificates of Participation Issued	3750				
Premium on Certificates of Participation	3793				
Discount on Certificates of Participation	893				
Loans Incurred	3720				
Proceeds from the Sale of Capital Assets	3730				
Loss Recoveries	3740		12,261,921.00	12,261,921.69	0.69
Proceeds of Forward Supply Contract	3760				
Special Facilities Construction Advances	3770				
Payments to Refunded Bond Escrow Agent (Function 9299)	760				
Transfers In	3600	36,000,000.00	40,155,459.00	40,155,459.98	0.98
Transfers Out	9700				
Total Other Financing Sources (Uses)		36,000,000.00	52,417,380.00	52,417,381.67	1.67
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
Net Change in Fund Balances		(57,524,462.00)	(59,535,946.00)	4,510,728.16	64,046,674.16
Fund Balances, July 1, 2004	2800	89,124,462.00	89,124,462.00	89,124,462.27	0.27
Adjustment to Fund Balances	2891				
Fund Balances, June 30, 2005	2700	31,600,000.00	29,588,516.00	93,635,190.43	64,046,674.43

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2005

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				
Federal Through State	3200				
State Sources	3300				
Local Sources	3400				
Total Revenues					
EXPENDITURES					
Current:					
Instruction	5000				
Pupil Personnel Services	6100				
Instructional Media Services	6200				
Instruction and Curriculum Development Services	6300				
Instructional Staff Training Services	6400				
Board	7100				
General Administration	7200				
School Administration	7300				
Facilities Acquisition and Construction	7410				
Fiscal Services	7500				
Food Services	7600				
Central Services	7700				
Pupil Transportation Services	7800				
Operation of Plant	7900				
Maintenance of Plant	8100				
Community Services	9100				
Debt Service: (Function 9200)					
Retirement of Principal	710				
Interest	720				
Dues, Fees and Issuance Costs	730				
Miscellaneous Expenditures	790				
Capital Outlay:					
Facilities Acquisition and Construction	7420				
Other Capital Outlay	9300				
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures					
OTHER FINANCING SOURCES (USES)					
Long-Term Bonds Issued	3710				
Premium on Sale of Bonds	3791				
Discount on Sale of Bonds	891				
Refunding Bonds Issued	3715				
Premium on Refunding Bonds	3792				
Discount on Refunding Bonds	892				
Certificates of Participation Issued	3750				
Premium on Certificates of Participation	3793				
Discount on Certificates of Participation	893				
Loans Incurred	3720				
Proceeds from the Sale of Capital Assets	3730				
Loss Recoveries	3740				
Proceeds of Forward Supply Contract	3760				
Special Facilities Construction Advances	3770				
Payments to Refunded Bond Escrow Agent (Function 9299)	760				
Transfers In	3600				
Transfers Out	9700				
Total Other Financing Sources (Uses)					
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
Net Change in Fund Balances					
Fund Balances, July 1, 2004	2800				
Adjustment to Fund Balances	2891				
Fund Balances, June 30, 2005	2700				

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2005

	Account Number	Special Revenue Funds			Total Nonmajor Special Revenue Funds
		Food Service 410	Other Federal Programs 420	Miscellaneous Special Revenue 490	
ASSETS					
Cash and Cash Equivalents	1110	12,161,361.66	872,668.54		13,034,030.20
Investments	1160				
Taxes Receivable, Net	1120				
Accounts Receivable, Net	1130	35,230.68	814,967.21		850,197.89
Interest Receivable	1170				
Due from Reinsurer	1180				
Deposits Receivable	1210				
Due From Other Funds:					
Budgetary Funds	1141				
Internal Funds	1142				
Due from Other Agencies	1220	3,435,523.26	18,083,396.95		21,518,920.21
Inventory	1150	1,694,984.60			1,694,984.60
Prepaid Items	1230				
Total Assets		17,327,100.20	19,771,032.70		37,098,132.90
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120	663,974.04	1,499,999.52		2,163,973.56
Judgments Payable	2130				
Construction Contracts Payable	2140				
Construction Contracts Payable-Retained Percentage	2150				
Due to Fiscal Agent	2240				
Sales Tax Payable	2260				
Accrued Interest Payable	2210				
Deposits Payable	2220	127,239.83			127,239.83
Due to Other Agencies	2230		211,114.99		211,114.99
Budgetary Funds	2161		8,000,000.00		8,000,000.00
Internal Funds	2162		7,765,361.92		7,765,361.92
Deferred Revenue	2410		17,476,476.43		18,267,690.30
Total Liabilities		791,213.87			
FUND BALANCES					
Reserved for:					
Endowments	2705				
State Required Carryover Programs	2710				
Encumbrances	2720	857,395.49	3,549,002.26		4,406,397.75
Inventory	2730	1,694,984.60			1,694,984.60
Other Purposes					
Unreserved, Reported in:					
General Fund	2760				
Special Revenue Funds	2760	13,983,506.24	(1,254,445.99)		12,729,060.25
Debt Service Funds	2760				
Capital Projects Funds	2760				
Permanent Funds	2760				
Total Fund Balances	2700	16,535,886.33	2,294,556.27		18,830,442.60
Total Liabilities and Fund Balances		17,327,100.20	19,771,032.70		37,098,132.90

The notes to the financial statements are an integral part of this statement.
 ESE 145

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2005

	Account Number	Debt Service Funds						Total Nonmajor Debt Service Funds
		SBE/COBI Bonds 210	Special Act Bonds 220	Section 1011.14/15 F.S. 230	Motor Vehicle Bonds 240	District Bonds 250	Other Debt Service 290	
ASSETS								
Cash and Cash Equivalents	1110							
Investments	1160	1,141,454.12				32,596,425.51		32,596,425.51
Taxes Receivable, Net	1120					396,449.26		1,537,903.38
Accounts Receivable, Net	1130					565,866.84		565,866.84
Interest Receivable	1170							
Due from Reinsurer	1180							
Deposits Receivable	1210							
Due From Other Funds:								
Budgetary Funds	1141							
Internal Funds	1142							
Due from Other Agencies	1220							
Inventory	1150							
Prepaid Items	1230							
Total Assets		1,141,454.12				33,558,741.61		34,700,195.73
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Salaries, Benefits and Payroll Taxes Payable	2110							
Payroll Deductions and Withholdings	2170							
Accounts Payable	2120							
Judgments Payable	2130							
Construction Contracts Payable	2140							
Construction Contracts Payable- Retained Percentage	2150							
Due to Fiscal Agent	2240							
Sales Tax Payable	2260							
Accrued Interest Payable	2210							
Deposits Payable	2220							
Due to Other Agencies	2230							
Due to Other Funds:								
Budgetary Funds	2161							
Internal Funds	2162							
Deferred Revenue	2410							
Total Liabilities								
FUND BALANCES								
Reserved for:								
Endowments	2705							
State Required Carryover Programs	2710							
Encumbrances	2720							
Inventory	2730							
Other Purposes								
Unreserved, Reported in:								
General Fund	2760							
Special Revenue Funds	2760	1,141,454.12				33,558,741.61		34,700,195.73
Debt Service Funds	2760							
Capital Projects Funds	2760							
Permanent Funds	2760							
Total Fund Balances	2700	1,141,454.12				33,558,741.61		34,700,195.73
Total Liabilities and Fund Balances		1,141,454.12				33,558,741.61		34,700,195.73

The notes to the financial statements are an integral part of this statement.
 ESE 145

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2005

ASSETS	Account Number	Capital Projects Funds							Total Nonmajor Capital Project Funds											
		Capital Outlay Bond Issues (COBI) 310	Special Act Bonds 320	Section 1011.14/ 1011.15 F.S. Loans 330	Public Education Capital Outlay (PECO) 340	District Bonds 350	Capital Outlay and Debt Service Funds (CO & DS) 360	Capital Improvement F.S. 370		Voted Capital Improvement 380	Other Capital Projects 390									
Cash and Cash Equivalents	1110	423,268.73			353,663.79															
Investments	1160																			
Taxes Receivable, Net	1120																			
Accounts Receivable, Net	1130																			
Interest Receivable	1170																			
Due from Reinsurer	1180																			
Deposits Receivable	1210																			
Due From Other Funds:																				
Budgetary Funds	1141																			
Internal Funds	1142																			
Due from Other Agencies	1220				8,492,321.39						1,099,798.57									
Inventory	1150																			
Prepaid Items	1230																			
Total Assets					8,845,985.18						1,888,107.05									
LIABILITIES AND FUND BALANCES																				
Salaries, Benefits and Payroll Taxes Payable	2110																			
Payroll Deductions and Withholdings	2170																			
Accounts Payable	2120				499,947.53						106,148.60									
Judgments Payable	2130																			
Construction Contracts Payable	2140				37,182.33															
Construction Contracts Payable-Retained Percentage	2150				377,187.61															
Due to Fiscal Agent	2240																			
Due to Fiscal Agent	2260																			
Sales Tax Payable	2260																			
Accrued Interest Payable	2210																			
Deposits Payable	2220																			
Due to Other Agencies	2230																			
Due to Other Funds:																				
Budgetary Funds	2161										1,000,000.00									
Internal Funds	2162																			
Deferred Revenue	2410																			
Total Liabilities					414,369.94						1,499,947.53									
FUND BALANCES																				
Reserved for:																				
Endowments	2705																			
State Required Carryover Programs	2710																			
Encumbrances	2720				8,897.79						1,013,330.90									
Inventory	2730																			
Other Purposes																				
Unreserved, Reported in:																				
General Fund	2760																			
Special Revenue Funds	2760																			
Debt Service Funds	2760																			
Capital Projects Funds	2760				1.00						6,332,706.73									
Permanent Funds	2760																			
Total Fund Balances	2700				8,898.79						7,346,037.65									
Total Liabilities and Fund Balances	2700				423,268.73						8,845,985.18									

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2005

	Account Number	Permanent Fund 000	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	1110		47,195,696.71
Investments	1160		1,537,903.38
Taxes Receivable, Net	1120		565,866.84
Accounts Receivable, Net	1130		850,197.89
Interest Receivable	1170		
Due from Reinsurer	1180		
Deposits Receivable	1210		
Due From Other Funds:			
Budgetary Funds	1141		
Internal Funds	1142		
Due from Other Agencies	1220		31,111,040.17
Inventory	1150		1,694,984.60
Prepaid Items	1230		
Total Assets			82,955,689.59
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Salaries, Benefits and Payroll Taxes Payable	2110		
Payroll Deductions and Withholdings	2170		
Accounts Payable	2120		2,770,069.69
Judgments Payable	2130		
Construction Contracts Payable	2140		37,182.33
Construction Contracts Payable- Retained Percentage	2150		377,187.61
Due to Fiscal Agent	2240		
Sales Tax Payable	2260		
Accrued Interest Payable	2210		
Deposits Payable	2220		127,239.83
Due to Other Agencies	2230		211,114.99
Due to Other Funds:			
Budgetary Funds	2161		9,000,000.00
Internal Funds	2162		
Deferred Revenue	2410		7,765,361.92
Total Liabilities			20,288,156.37
FUND BALANCES			
Reserved for:			
Endowments	2705		
State Required Carryover Programs	2710		
Encumbrances	2720		6,799,904.25
Inventory	2730		1,694,984.60
Other Purposes			
Unreserved, Reported in:			
General Fund	2760		
Special Revenue Funds	2760		12,729,060.25
Debt Service Funds	2760		34,700,195.73
Capital Projects Funds	2760		6,743,388.39
Permanent funds	2760		
Total Fund Balances	2700		62,667,533.22
Total Liabilities and Fund Balances			82,955,689.59

The notes to the financial statements are an integral part of this statement
 ESE 145

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2005

	Account Number	Special Revenue Funds			Total Nonmajor Special Revenue Funds
		Food Service 410	Other Federal Programs 420	Miscellaneous Special Revenue 490	
REVENUES					
Federal Direct	3100		5,159,886.69		5,159,886.69
Federal Through State	3200	32,832,439.03	89,323,890.44		122,156,329.47
State Sources	3300	887,231.00	5,031,265.69		5,918,496.69
Local Sources	3400	22,783,079.73	5,997,981.57		28,781,061.30
Total Revenues		56,502,749.76	105,513,024.39		162,015,774.15
EXPENDITURES					
Current:					
Instruction	5000		43,823,982.56		43,823,982.56
Pupil Personnel Services	6100		12,184,076.25		12,184,076.25
Instructional Media Services	6200		25,214.34		25,214.34
Instruction and Curriculum Development Services	6300		18,963,598.69		18,963,598.69
Instructional Staff Training Services	6400		15,768,225.45		15,768,225.45
Board	7100				
General Administration	7200		2,364,338.90		2,364,338.90
School Administration	7300		734,657.68		734,657.68
Facilities Acquisition and Construction	7410		320,921.25		320,921.25
Fiscal Services	7500		148,057.39		148,057.39
Food Services	7600	55,705,043.87	3,200.00		55,708,243.87
Central Services	7700		2,721,610.90		2,721,610.90
Pupil Transportation Services	7800		1,214,109.18		1,214,109.18
Operation of Plant	7900		1,797,688.27		1,797,688.27
Maintenance of Plant	8100		14,299.30		14,299.30
Community Services	9100		3,269,406.36		3,269,406.36
Debt Service: (Function 9200)					
Retirement of Principal	710				
Interest	720				
Dues, Fees and Issuance Costs	730				
Miscellaneous Expenditures	790				
Capital Outlay:					
Facilities Acquisition and Construction	7420				
Other Capital Outlay	9300	238,030.22	2,182,833.66		2,420,863.88
Total Expenditures		55,943,074.09	105,536,220.18		161,479,294.27
Excess (Deficiency) of Revenues Over (Under) Expenditures		559,675.67	(23,195.79)		536,479.88
OTHER FINANCING SOURCES (USES)					
Long-Term Bonds Issued	3710				
Premium on Sale of Bonds	3791				
Discount on Sale of Bonds (Function 9299)	891				
Refunding Bonds Issued	3715				
Premium on Refunding Bonds	3792				
Discount on Refunding Bonds (Function 9299)	892				
Certificates of Participation Issued	3750				
Premium on Certificates of Participation	3793				
Discount on Certificates of Participation (Function 9299)	893				
Loans Incurred	3720				
Proceeds from the Sale of Capital Assets	3730				
Loss Recoveries	3740				
Proceeds of Forward Supply Contract	3760				
Special Facilities Construction Advances	3770				
Payments to Refunded Bond Escrow Agent (Function 9299)	760				
Transfers In	3600				
Transfers Out	9700				
Total Other Financing Sources (Uses)					
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
Net Change in Fund Balances		559,675.67	(23,195.79)		536,479.88
Fund Balances, July 1, 2004	2800	15,976,210.66	2,317,792.06		18,293,962.72
Adjustment to Fund Balances	2891				
Fund Balances, June 30, 2005	2700	16,535,886.33	2,294,596.27		18,830,442.60

The notes to the financial statements are an integral part of this statement.
 ESE 145

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2005

	Account Number	SBE/COBI Bonds 210	Special Act Bonds 220	Section 1011.14/15 F.S. 230	Debt Service Funds			Total Nonmajor Debt Service Funds
					Motor Vehicle Bonds 240	District Bonds 250	Other Debt Service 290	
REVENUES								
Federal Direct	3100							
Federal Through State	3200							
State Sources	3300	5,752,445.37						5,752,445.37
Local Sources	3400							30,177,448.15
Total Revenues		5,752,445.37						35,929,893.52
EXPENDITURES								
Current:								
Instruction	5000							
Pupil Personnel Services	6100							
Instructional Media Services	6200							
Instruction and Curriculum Development Services	6300							
Instructional Staff Training Services	6400							
Board	7100							
General Administration	7200							
School Administration	7300							
Facilities Acquisition and Construction	7410							
Fiscal Services	7500							
Food Services	7600							
Central Services	7700							
Pupil Transportation Services	7800							
Operation of Plant	7900							
Maintenance of Plant	8100							
Community Services	9100							
Debt Service: (Function 9200)								
Retirement of Principal	710	3,415,000.00						24,110,000.00
Interest	720	2,451,988.75						4,409,100.00
Dues, Fees and Insurance Costs	730	5,084.21						579,025.77
Miscellaneous Expenditures	790							
Capital Outlay:								
Facilities Acquisition and Construction	7420							
Other Capital Outlay	9300							
Total Expenditures		5,872,072.96						29,098,125.77
OTHER FINANCING SOURCES (USES)		(119,627.59)						1,079,522.38
Long-Term Bonds Issued	3710							
Premium on Sale of Bonds	3791							
Discount on Sale of Bonds (Function 9299)	891							
Refunding Bonds Issued	3715							
Premium on Refunding Bonds	3792							
Discount on Refunding Bonds (Function 9299)	892							
Certificates of Participation Issued	3750							
Premium on Certificates of Participation	3793							
Discount on Certificates of Participation (Function 9299)	893							
Loans Incurred	3720							
Proceeds from the Sale of Capital Assets	3730							
Loss Recoveries	3740							
Proceeds of Forward Supply Contract	3760							
Special Facilities Construction Advances	3770							
Payments to Refunded Bond Escrow Agent (Function 9299)	760							
Transfers In	3600							
Transfers Out	9700							
Total Other Financing Sources (Uses)								
SPECIAL ITEMS								
EXTRAORDINARY ITEMS								
Net Change in Fund Balances		(119,627.59)						1,079,522.38
Fund Balances, July 1, 2004	2800	1,261,081.71						32,479,419.23
Adjustment to Fund Balances	2891							
Fund Balances, June 30, 2005	2700	1,141,454.12						33,558,741.61
								34,700,195.73

The notes to the financial statements are an integral part of this statement.
 ESB 145

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2005

	Account Number	Capital Outlay Bond Issues (COB)	Special Act Bonds	Section 1011.14/ F.S. Loans	Public Education (PECO)	District Bonds	Capital Outlay and Debt Service Funds (CO & DS)	Capital Improvement F.S.	Voted Capital Improvement	Other Capital Projects	Total Nonmajor Capital Project Funds
REVENUES											
Federal Direct	3100										
Federal Through State	3300				9,470,636.00		1,185,020.82				10,655,656.82
State Sources	3300						38,210.06				38,210.06
Local Sources	3400				9,470,636.00		1,223,230.88				10,693,866.88
Total Revenues											
EXPENDITURES											
Current:											
Instruction	5000										
Pupil Personnel Services	6100										
Instructional Media Services	6200										
Instruction and Curriculum Development Services	6300										
Instructional Staff Training Services	6400										
Board	7100										
General Administration	7200										
School Administration	7300										
Facilities Acquisition and Construction	7410										
Fiscal Services	7500										
Food Services	7600										
Central Services	7700										
Pupil Transportation Services	7800										
Operation of Plant	7900										
Maintenance of Plant	8100										
Community Services	9100										
Debt Service: (Function 9200)											
Retirement of Principal	710										
Interest	720										
Dues, Fees and Issuance Costs	730										
Miscellaneous Expenditures	790										
Capital Outlay:											
Facilities Acquisition and Construction	7420	5,967,271.35			16,777,651.60		870,704.71				23,615,627.66
Other Capital Outlay	9300										
Total Expenditures		5,967,271.35			16,777,651.60		870,704.71				23,615,627.66
Excess (Deficiency) of Revenues Over (Under) Expenditures		(5,967,271.35)			(7,307,015.60)		352,526.17				(12,921,760.78)
OTHER FINANCING SOURCES (USES)											
Long-Term Bonds Issued	3710										
Premium on Sale of Bonds	3791										
Discount on Sale of Bonds (Function 9299)	891										
Refunding Bonds Issued	3715										
Premium on Refunding Bonds	3792										
Discount on Refunding Bonds (Function 9299)	892										
Certificates of Participation Issued	3750										
Premium on Certificates of Participation	3753										
Discount on Certificates of Participation (Function 9299)	893										
Loans Incurred	3720										
Proceeds from the Sale of Capital Assets	3730										
Loss Recoveries	3740										
Proceeds of Forward Supply Contract	3760										
Special Facilities Construction Advances	3770										
Payments to Refunded Bond Escrow Agent (Function 9299)	760										
Transfers In	3600				(1,000,000.00)						(1,000,000.00)
Transfers Out	9700				(1,000,000.00)						(1,000,000.00)
Total Other Financing Sources (Uses)					(1,000,000.00)						(1,000,000.00)
SPECIAL ITEMS											
EXTRAORDINARY ITEMS											
Net Changes in Fund Balances		(5,967,271.35)			(8,307,015.60)		352,526.17				(13,921,760.78)
Fund Balances, July 1, 2004		2800			15,653,053.25		1,429,432.28				23,058,655.67
Adjustment to Fund Balances		2891									
Fund Balances, June 30, 2005		2700			7,346,037.65		1,781,958.45				9,136,996.10

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2005

	Account Number	Permanent Fund 000	Total Nonmajor Governmental Funds
REVENUES			
Federal Direct	3100		5,159,886.69
Federal Through State	3200		122,156,329.47
State Sources	3300		22,326,598.88
Local Sources	3400		58,996,719.51
Total Revenues			208,639,534.55
EXPENDITURES			
Current:			
Instruction	5000		43,823,982.56
Pupil Personnel Services	6100		12,184,076.25
Instructional Media Services	6200		25,214.34
Instruction and Curriculum Development Services	6300		18,963,598.69
Instructional Staff Training Services	6400		15,768,225.45
Board	7100		
General Administration	7200		2,364,338.90
School Administration	7300		734,657.68
Facilities Acquisition and Construction	7410		320,921.25
Fiscal Services	7500		148,057.39
Food Services	7600		55,708,243.87
Central Services	7700		2,721,610.90
Pupil Transportation Services	7800		1,214,109.18
Operation of Plant	7900		1,797,688.27
Maintenance of Plant	8100		14,299.30
Community Services	9100		3,269,406.36
Delta Service: (Function 9200)			
Retirement of Principal	710		27,525,000.00
Interest	720		6,861,088.75
Dues, Fees and Insurance Costs	730		584,109.98
Miscellaneous Expenditures	790		
Capital Outlay:			
Facilities Acquisition and Construction	7420		23,615,627.66
Other Capital Outlay	9300		2,420,863.88
Total Expenditures			220,065,120.66
Excess (Deficiency) of Revenues Over (Under) Expenditures			(11,425,586.11)
OTHER FINANCING SOURCES (USES)			
Long-Term Bonds Issued	3710		
Premium on Sale of Bonds	3791		
Discount on Sale of Bonds (Function 9299)	891		
Refunding Bonds Issued	3715		
Premium on Refunding Bonds	3792		
Discount on Refunding Bonds (Function 9299)	892		
Certificates of Participation Issued	3750		
Premium on Certificates of Participation	3793		
Discount on Certificates of Participation (Function 9299)	893		
Loans Incurred	3720		
Proceeds from the Sale of Capital Assets	3730		
Loss Recoveries	3740		
Proceeds of Forward Supply Contract	3760		
Special Facilities Construction Advances	3770		
Payments to Refunded Bond Escrow Agent (Function 9299)	760		
Transfers In	3600		
Transfers Out	9700		
Total Other Financing Sources (Uses)			(1,000,000.00)
SPECIAL ITEMS			
EXTRAORDINARY ITEMS			
Net Change in Fund Balances			(12,425,586.11)
Fund Balances, July 1, 2004	2800		75,093,119.33
Adjustment to Fund Balances	2891		
Fund Balances, June 30, 2005	2700		62,667,533.22

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS (NONMAJOR)
For the Fiscal Year Ended June 30, 2005

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	9,441,960.00	13,680,929.00	5,159,886.69	(8,521,042.31)
Federal Through State	3200	157,591,866.00	152,222,455.00	122,156,329.47	(30,066,125.53)
State Sources	3300	7,203,494.00	7,229,535.00	5,918,496.69	(1,311,038.31)
Local Sources	3400	28,334,697.00	32,453,847.00	28,781,061.30	(3,672,785.70)
Total Revenues		202,572,017.00	205,586,766.00	162,015,774.15	(43,570,991.85)
EXPENDITURES					
Current:					
Instruction	5000	62,377,374.00	64,198,550.00	43,823,982.56	20,374,567.44
Pupil Personnel Services	6100	16,797,329.00	14,045,059.00	12,184,076.25	1,860,982.75
Instructional Media Services	6200	45,902.00	140,646.00	25,214.34	115,431.66
Instruction and Curriculum Development Services	6300	21,751,055.00	22,973,852.00	18,963,598.69	4,010,253.31
Instructional Staff Training Services	6400	20,810,242.00	21,902,791.00	15,768,225.45	6,134,565.55
Board	7100				
General Administration	7200	4,176,632.00	3,425,910.00	2,364,338.90	1,061,571.10
School Administration	7300	968,678.00	1,298,190.00	734,657.68	563,532.32
Facilities Acquisition and Construction	7410	293,571.00	448,504.00	320,921.25	127,582.75
Fiscal Services	7500	167,878.00	240,244.00	148,057.39	92,186.61
Food Services	7600	61,860,997.00	56,422,021.00	55,708,243.87	713,777.13
Central Services	7700	3,008,399.00	3,205,080.00	2,721,610.90	483,469.10
Pupil Transportation Services	7800	2,641,297.00	3,344,527.00	1,214,109.18	2,130,417.82
Operation of Plant	7900	4,489,251.00	5,276,525.00	1,797,688.27	3,478,836.73
Maintenance of Plant	8100	8,157.00	81,890.00	14,299.30	67,590.70
Community Services	9100	4,468,121.00	7,664,781.00	3,269,406.36	4,395,374.64
Debt Service: (Function 9200)					
Retirement of Principal	710				
Interest	720				
Dues, Fees and Issuance Costs	730				
Miscellaneous Expenditures	790				
Capital Outlay:					
Facilities Acquisition and Construction	7420	2,500.00	2,500.00		2,500.00
Other Capital Outlay	9300	4,519,126.00	3,534,331.00	2,420,863.88	1,113,467.12
Total Expenditures		208,386,509.00	208,205,401.00	161,479,294.27	46,726,106.73
Excess (Deficiency) of Revenues Over (Under) Expenditures		(5,814,492.00)	(2,618,635.00)	536,479.88	3,155,114.88
OTHER FINANCING SOURCES (USES)					
Long-Term Bonds Issued	3710				
Premium on Sale of Bonds	3791				
Discount on Sale of Bonds (Function 9299)	891				
Refunding Bonds Issued	3715				
Premium on Refunding Bonds	3792				
Discount on Refunding Bonds (Function 9299)	892				
Certificates of Participation Issued	3750				
Premium on Certificates of Participation	3793				
Discount on Certificates of Participation (Function 9299)	893				
Loans Incurred	3720				
Proceeds from the Sale of Capital Assets	3730				
Loss Recoveries	3740				
Proceeds of Forward Supply Contract	3760				
Special Facilities Construction Advances	3770				
Payments to Refunded Bond Escrow Agent (Function 9299)	760				
Transfers In	3600				
Transfers Out	9700				
Total Other Financing Sources (Uses)					
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
Net Change in Fund Balances		(5,814,492.00)	(2,618,635.00)	536,479.88	3,155,114.88
Fund Balances, July 1, 2004	2800	18,293,963.00	18,293,963.00	18,293,962.72	(0.28)
Adjustment to Fund Balances	2891				
Fund Balances, June 30, 2005	2700	12,479,471.00	15,675,328.00	18,830,442.60	3,155,114.60

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2005

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				
Federal Through State	3200				
State Sources	3300	5,514,634.00	5,752,445.00	5,752,445.37	0.37
Local Sources	3400	31,812,843.00	30,971,010.00	30,971,010.27	0.27
Total Revenues		37,327,477.00	36,723,455.00	36,723,455.64	0.64
EXPENDITURES					
Current:					
Instruction	5000				
Pupil Personnel Services	6100				
Instructional Media Services	6200				
Instruction and Curriculum Development Services	6300				
Instructional Staff Training Services	6400				
Board	7100				
General Administration	7200				
School Administration	7300				
Facilities Acquisition and Construction	7410				
Fiscal Services	7500				
Food Services	7600				
Central Services	7700				
Pupil Transportation Services	7800				
Operation of Plant	7900				
Maintenance of Plant	8100				
Community Services	9100				
Debt Service: (Function 9200)					
Retirement of Principal	710	57,844,976.00	52,380,000.00	52,380,000.00	
Interest	720	72,482,120.00	71,217,428.00	72,174,366.66	(956,938.66)
Dues, Fees and Issuance Costs	730	94,650.00	2,786,698.00	2,780,297.97	6,400.03
Miscellaneous Expenditures	790				
Capital Outlay:					
Facilities Acquisition and Construction	7420				
Other Capital Outlay	9300				
Total Expenditures		130,421,746.00	126,384,126.00	127,334,664.63	(950,538.63)
Excess (Deficiency) of Revenues Over (Under) Expenditures		(93,094,269.00)	(89,660,671.00)	(90,611,208.99)	(950,537.99)
OTHER FINANCING SOURCES (USES)					
Long-Term Bonds Issued	3710				
Premium on Sale of Bonds	3791				
Discount on Sale of Bonds (Function 9299)	891				
Refunding Bonds Issued	3715		124,630,000.00	124,630,000.00	
Premium on Refunding Bonds	3792		10,394,473.00	10,394,473.45	0.45
Discount on Refunding Bonds (Function 9299)	892				
Certificates of Participation Issued	3750				
Premium on Certificates of Participation	3793				
Discount on Certificates of Participation (Function 9299)	893				
Loans Incurred	3720				
Proceeds from the Sale of Capital Assets	3730				
Loss Recoveries	3740				
Proceeds of Forward Supply Contract	3760				
Special Facilities Construction Advances	3770				
Payments to Refunded Bond Escrow Agent (Function 9299)	760		(134,646,972.00)	(134,646,971.84)	0.16
Transfers In	3600	93,000,000.00	87,726,453.00	87,726,452.57	(0.43)
Transfers Out	9700				
Total Other Financing Sources (Uses)		93,000,000.00	88,103,954.00	88,103,954.18	0.18
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
Net Change in Fund Balances		(94,269.00)	(1,556,717.00)	(2,507,254.81)	(950,537.81)
Fund Balances, July 1, 2004	2800	197,380,641.00	197,380,641.00	197,380,640.52	(0.48)
Adjustment to Fund Balances	2891			956,938.43	956,938.43
Fund Balances, June 30, 2005	2700	197,286,372.00	195,823,924.00	195,830,324.14	6,400.14

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
For the Fiscal Year Ended June 30, 2005

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				
Federal Through State	3200				
State Sources	3300	19,353,622.00	19,398,630.00	10,655,656.82	(8,742,973.18)
Local Sources	3400	232,330,701.00	308,150,838.00	308,150,839.84	1.84
Total Revenues		251,684,323.00	327,549,468.00	318,806,496.66	(8,742,971.34)
EXPENDITURES					
Current:					
Instruction	5000				
Pupil Personnel Services	6100				
Instructional Media Services	6200				
Instruction and Curriculum Development Services	6300				
Instructional Staff Training Services	6400				
Board	7100				
General Administration	7200				
School Administration	7300				
Facilities Acquisition and Construction	7410				
Fiscal Services	7500				
Food Services	7600				
Central Services	7700				
Pupil Transportation Services	7800				
Operation of Plant	7900				
Maintenance of Plant	8100				
Community Services	9100				
Debt Service: (Function 9200)					
Retirement of Principal	710	938,906.00	960,580.00	960,580.46	(0.46)
Interest	720	55,760.00	978,684.00	978,683.83	0.17
Dues, Fees and Issuance Costs	730	1,626,975.00	605,406.00	600,863.47	4,542.53
Miscellaneous Expenditures	790				
Capital Outlay:					
Facilities Acquisition and Construction	7420	667,063,316.00	1,037,140,612.00	376,450,014.97	660,690,597.03
Other Capital Outlay	9300				
Total Expenditures		669,684,957.00	1,039,685,282.00	378,990,142.73	660,695,139.27
Excess (Deficiency) of Revenues Over (Under) Expenditures		(418,000,634.00)	(712,135,814.00)	(60,183,646.07)	651,952,167.93
OTHER FINANCING SOURCES (USES)					
Long-Term Bonds Issued	3710		250,000,000.00		(250,000,000.00)
Premium on Sale of Bonds	3791				
Discount on Sale of Bonds (Function 9299)	891				
Refunding Bonds Issued	3715				
Premium on Refunding Bonds	3792				
Discount on Refunding Bonds (Function 9299)	892				
Certificates of Participation Issued	3750		38,505,000.00	38,505,000.00	
Premium on Certificates of Participation	3793		958,921.00	958,920.80	(0.20)
Discount on Certificates of Participation (Function 9299)	893				
Loans Incurred	3720				
Proceeds from the Sale of Capital Assets	3730				
Loss Recoveries	3740		3,553,172.00	3,553,172.10	0.10
Proceeds of Forward Supply Contract	3760				
Special Facilities Construction Advances	3770				
Payments to Refunded Bond Escrow Agent (Function 9299)	760				
Transfers In	3600				
Transfers Out	9700	(129,000,000.00)	(127,881,913.00)	(127,881,912.55)	0.45
Total Other Financing Sources (Uses)		(129,000,000.00)	165,135,180.00	(84,864,819.65)	(249,999,999.65)
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
Net Change in Fund Balances		(547,000,634.00)	(547,000,634.00)	(145,048,465.72)	401,952,168.28
Fund Balances, July 1, 2004	2800	547,000,634.00	547,000,634.00	547,000,633.61	(0.39)
Adjustment to Fund Balances	2891				
Fund Balances, June 30, 2005	2700			401,952,167.89	401,952,167.89

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PERMANENT FUND
For the Fiscal Year Ended June 30, 2005

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				
Federal Through State	3200				
State Sources	3300				
Local Sources	3400				
Total Revenues					
EXPENDITURES					
Current:					
Instruction	5000				
Pupil Personnel Services	6100				
Instructional Media Services	6200				
Instruction and Curriculum Development Services	6300				
Instructional Staff Training Services	6400				
Board	7100				
General Administration	7200				
School Administration	7300				
Facilities Acquisition and Construction	7410				
Fiscal Services	7500				
Food Services	7600				
Central Services	7700				
Pupil Transportation Services	7800				
Operation of Plant	7900				
Maintenance of Plant	8100				
Community Services	9100				
Debt Service: (Function 9200)					
Retirement of Principal	710				
Interest	720				
Dues, Fees and Issuance Costs	730				
Miscellaneous Expenditures	790				
Capital Outlay:					
Facilities Acquisition and Construction	7420				
Other Capital Outlay	9300				
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures					
OTHER FINANCING SOURCES (USES)					
Long-Term Bonds Issued	3710				
Premium on Sale of Bonds	3791				
Discount on Sale of Bonds (Function 9299)	891				
Refunding Bonds Issued	3715				
Premium on Refunding Bonds	3792				
Discount on Refunding Bonds (Function 9299)	892				
Certificates of Participation Issued	3750				
Premium on Certificates of Participation	3793				
Discount on Certificates of Participation (Function 9299)	893				
Loans Incurred	3720				
Proceeds from the Sale of Capital Assets	3730				
Loss Recoveries	3740				
Proceeds of Forward Supply Contract	3760				
Special Facilities Construction Advances	3770				
Payments to Refunded Bond Escrow Agent (Function 9299)	760				
Transfers In	3600				
Transfers Out	9700				
Total Other Financing Sources (Uses)					
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
Net Change in Fund Balances					
Fund Balances, July 1, 2004	2800				
Adjustment to Fund Balances	2891				
Fund Balances, June 30, 2005	2700				

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2005

ASSETS	Account Number	Self Insurance 911	Self Insurance 912	Self Insurance 913	Self Insurance 914	Self Insurance 915	Other 921	Other 922	Total Nonmajor Enterprise Funds
Current Assets:									
Cash and Cash Equivalents	1110								
Investments	1160								
Accounts Receivable, Net	1130								
Interest Receivable	1170								
Due from Reinsurer	1180								
Deposits Receivable	1210								
Due from Other Funds-Budgetary	1141								
Due from Other Agencies	1220								
Inventory	1150								
Prepaid Items	1230								
Total Current Assets									
Noncurrent Assets:									
Restricted Cash and Cash Equivalents									
Capital Assets:									
Land	1310								
Land Improvements - Nondepreciable	1315								
Construction in Progress	1360								
Improvements Other Than Buildings	1320								
Accumulated Depreciation	1329								
Buildings and Fixed Equipment	1330								
Accumulated Depreciation	1339								
Furniture, Fixtures and Equipment	1340								
Motor Vehicles	1350								
Accumulated Depreciation	1359								
Property Under Capital Leases	1370								
Accumulated Depreciation	1379								
Computer Software	1382								
Accumulated Amortization	1389								
Total Noncurrent Assets									
Total Assets									
LIABILITIES									
Current Liabilities:									
Salaries, Benefits and Payroll Taxes Payable	2110								
Payroll Deductions and Withholdings	2170								
Accounts Payable	2120								
Judgments Payable	2130								
Sales Tax Payable	2260								
Accrued Interest Payable	2210								
Deposits Payable	2220								
Due to Other Funds-Budgetary	2161								
Due to Other Agencies	2230								
Deferred Revenues	2410								
Estimated Unpaid Claims	2271								
Estimated Liability for Claims Adjustment Expense	2272								
Estimated Liability for Long-Term Claims	2315								
Liability for Compensated Absences	2330								
Estimated Liability for Long-Term Claims	2350								
Total Current Liabilities									
Noncurrent Liabilities:									
Liabilities Payable from Restricted Assets:									
Deposits Payable	2220								
Other Noncurrent Liabilities:									
Liability for Compensated Absences	2330								
Estimated Liability for Long-Term Claims	2350								
Total Noncurrent Liabilities									
NET ASSETS									
Invested in Capital Assets, Net of Related Debt	2270								
Restricted for	2780								
Unrestricted	2790								
Total Net Assets									
Total Liabilities and Net Assets									

The notes to the financial statements are an integral part of this statement
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**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS**

For the Fiscal Year Ended June 30, 2005

	Account Number	Self Insurance 911	Self Insurance 912	Self Insurance 913	Self Insurance 914	Self Insurance 915	Other 921	Other 922	Total Nonmajor Enterprise Funds
OPERATING REVENUES									
Charges for Services	3481								
Charges for Sales	3482								
Premium Revenue	3484								
Other Operating Revenues	3489								
Total Operating Revenues									
OPERATING EXPENSES									
Salaries	100								
Employee Benefits	200								
Purchased Services	300								
Energy Services	400								
Materials and Supplies	500								
Capital Outlay	600								
Other Expenses	700								
Depreciation/Amortization	780								
Total Operating Expenses									
Operating Income (Loss)									
NONOPERATING REVENUES (EXPENSES)									
Interest Revenue	3430								
Gifts, Grants and Bequests	3440								
Loss Recoveries	3740								
Gain on Disposition of Assets	3780								
Interest Expense	720								
Miscellaneous Expense	790								
Loss on Disposition of Assets	810								
Total Nonoperating Revenues (Expenses)									
Income (Loss) Before Operating Transfers									
Transfers In	3600								
Transfers Out	9700								
SPECIAL ITEMS									
EXTRAORDINARY ITEMS									
Change In Net Assets									
Net Assets - July 1, 2004	2880								
Adjustment to Net Assets	2896								
Net Assets - June 30, 2005	2780								

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Fiscal Year Ended June 30, 2005

	Self Insurance 911	Self Insurance 912	Self Insurance 913	Self Insurance 914	Self Insurance 915	Other 921	Other 922	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users								
Receipts from interfund services provided								
Payments to suppliers								
Payments to employees								
Payments for interfund services used								
Other receipts (payments)								
Net cash provided (used) by operating activities								
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Subsidies from operating grants								
Transfers from other funds								
Transfers to other funds								
Net cash provided (used) by noncapital financing activities								
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from capital debt								
Capital contributions								
Proceeds from disposition of capital assets								
Acquisition and construction of capital assets								
Principal paid on capital debt								
Interest paid on capital debt								
Net cash provided (used) by capital and related financing activities								
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from sales and maturities of investments								
Interest and dividends received								
Purchase of investments								
Net cash provided (used) by investing activities								
Net increase (decrease) in cash and cash equivalents								
Cash and cash equivalents - July 1, 2004								
Cash and cash equivalents - June 30, 2005								
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)								
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation/Amortization expense								
Commodities used from USDA program								
Change in assets and liabilities:								
(Increase) decrease in accounts receivable								
(Increase) decrease in interest receivable								
(Increase) decrease in due from reinsurer								
(Increase) decrease in deposit receivable								
(Increase) decrease in due from other funds								
(Increase) decrease in due from other agencies								
(Increase) decrease in inventory								
(Increase) decrease in prepaid items								
Increase (decrease) in salaries and benefits payable								
Increase (decrease) in payroll tax liabilities								
Increase (decrease) in accounts payable								
Increase (decrease) in judgments payable								
Increase (decrease) in sales tax payable								
Increase (decrease) in accrued interest payable								
Increase (decrease) in due to other funds								
Increase (decrease) in due to other agencies								
Increase (decrease) in deferred revenues								
Increase (decrease) in estimated unpaid claims								
Increase (decrease) in estimated liability for claims adjustment expense								
Total adjustments								
Net cash provided (used) by operating activities								
Noncash investing, capital, and financing activities:								
Borrowing under capital lease								
Contributions of capital assets								
Purchase of equipment on account								
Capital asset trade-ins								
Net increase/(Decrease) in the fair value of investments								
Commodities received through USDA program								

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 June 30, 2005

ASSETS	Account Number	Maintenance 794	Self Insurance 712	Self Insurance 713	Self Insurance 714	Self Insurance 715	Consortium Programs 731	Other Internal Service 791	Total Internal Service Funds
Current Assets:									
Cash and Cash Equivalents	1110	36,675.45							36,675.45
Investments	1160								
Accounts Receivable, Net	1130								
Interest Receivable	1170								
Due from Reinsurer	1180								
Deposits Receivable	1210								
Due from Other Funds-Budgetary	1141								
Due from Other Agencies	1220								
Inventory	1150								
Prepaid Items	1230								
Total Current Assets		36,675.45							36,675.45
Noncurrent Assets:									
Restricted Cash and Cash Equivalents									
Capital Assets:									
Land	1310								
Land Improvements - Nondepreciable	1315								
Construction in Progress	1360								
Improvements Other Than Buildings	1320								
Accumulated Depreciation	1329								
Buildings and Fixed Equipment	1330								
Accumulated Depreciation	1339								
Furniture, Fixtures and Equipment	1340								
Accumulated Depreciation	1349								
Motor Vehicles	1350								
Accumulated Depreciation	1359								
Property Under Capital Leases	1370								
Accumulated Depreciation	1379								
Computer Software	1382								
Accumulated Amortization	1389								
Total Noncurrent Assets									
Total Assets		36,675.45							36,675.45
LIABILITIES									
Current Liabilities:									
Salaries, Benefits and Payroll Taxes Payable	2110								
Payroll Deductions and Withholdings	2170								
Accounts Payable	2120	11,911.78							11,911.78
Judgments Payable	2130								
Sales Tax Payable	2260								
Accrued Interest Payable	2210								
Deposits Payable	2220								
Due to Other Funds-Budgetary	2161								
Due to Other Agencies	2230								
Deferred Revenues	2410								
Estimated Unpaid Claims	2271								
Estimated Liability for Claims Adjustment Expense	2272								
Obligations Under Capital Leases	2315								
Liability for Compensated Absences	2330								
Estimated Liability for Long-Term Claims	2350								
Total Current Liabilities		11,911.78							11,911.78
Noncurrent Liabilities:									
Liabilities Payable from Restricted Assets:									
Deposits Payable	2220								
Other Noncurrent Liabilities:									
Obligations Under Capital Leases	2315								
Liability for Compensated Absences	2330								
Estimated Liability for Long-Term Claims	2350								
Total Noncurrent Liabilities									
Total Liabilities		11,911.78							11,911.78
NET ASSETS									
Invested in Capital Assets, Net of Related Debt	2770								
Restricted for	2780								
Unrestricted	2790	24,763.67							24,763.67
Total Net Assets		24,763.67							24,763.67
Total Liabilities and Net Assets		36,675.45							36,675.45

The notes to the financial statements are an integral part of this statement.
 BSE 145

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2005

	Account Number	Maintenance 794	Self Insurance 712	Self Insurance 713	Self Insurance 714	Self Insurance 715	Consortium Programs 731	Other Internal Service 791	Total Internal Service Funds
OPERATING REVENUES									
Charges for Services	3481	25,926,497.63							25,926,497.63
Charges for Sales	3482								
Premium Revenue	3484								
Other Operating Revenues	3489								
Total Operating Revenues		25,926,497.63							25,926,497.63
OPERATING EXPENSES									
Salaries	100	19,585,903.51							19,585,903.51
Employee Benefits	200	6,245,775.30							6,245,775.30
Purchased Services	300	130,069.20							130,069.20
Energy Services	400								
Materials and Supplies	500								
Capital Outlay	600								
Other Expenses	700								
Depreciation/Amortization	780								
Total Operating Expenses		25,961,748.01							25,961,748.01
Operating Income (Loss)		(35,250.38)							(35,250.38)
NONOPERATING REVENUES (EXPENSES)									
Interest Revenue	3430	44,116.17							44,116.17
Gifts, Grants and Bequests	3440								
Loss Recoveries	3740								
Gain on Disposition of Assets	3780								
Interest Expense	720								
Miscellaneous Expense	790								
Loss on Disposition of Assets	810								
Total Nonoperating Revenues (Expenses)		44,116.17							44,116.17
Income (Loss) Before Operating Transfers		8,865.79							8,865.79
Transfers In	3600								
Transfers Out	9700								
SPECIAL ITEMS									
EXTRAORDINARY ITEMS									
Change In Net Assets		8,865.79							8,865.79
Net Assets - July 1, 2004		15,897.88							15,897.88
Adjustments to Net Assets									
Net Assets - June 30, 2005		24,763.67							24,763.67

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2005

	Maintenance 794	Self Insurance 712	Self Insurance 713	Self Insurance 714	Self Insurance 715	Consortium Programs 731	Other Internal Service 791	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users								
Receipts from interfund services provided	25,926,497.63							25,926,497.63
Payments to suppliers	(130,752.34)							(130,752.34)
Payments to employees	(25,831,678.81)							(25,831,678.81)
Payments for interfund services used								
Other receipts (payments)								
Net cash provided (used) by operating activities	(35,933.52)							(35,933.52)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Subsidies from operating grants								
Transfers from other funds								
Transfers to other funds								
Net cash provided (used) by noncapital financing activities								
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from capital debt								
Capital contributions								
Proceeds from disposition of capital assets								
Acquisition and construction of capital assets								
Principal paid on capital debt								
Interest paid on capital debt								
Net cash provided (used) by capital and related financing activities								
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from sales and maturities of investments								
Interest and dividends received	44,116.17							44,116.17
Purchase of investments								
Net cash provided (used) by investing activities	44,116.17							44,116.17
Net increase (decrease) in cash and cash equivalents	8,182.65							8,182.65
Cash and cash equivalents - July 1, 2004	28,492.80							28,492.80
Cash and cash equivalents - June 30, 2005	36,675.45							36,675.45
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	(35,250.38)							(35,250.38)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation/Amortization expense								
Commodities used from USDA program								
Change in assets and liabilities:								
(Increase) decrease in accounts receivable								
(Increase) decrease in interest receivable								
(Increase) decrease in due from reinsurer								
(Increase) decrease in deposits receivable								
(Increase) decrease in due from other funds								
(Increase) decrease in due from other agencies								
(Increase) decrease in inventory								
(Increase) decrease in prepaid items								
Increase (decrease) in salaries and benefits payable								
Increase (decrease) in payroll tax liabilities								
Increase (decrease) in accounts payable	(683.14)							(683.14)
Increase (decrease) in judgments payable								
Increase (decrease) in sales tax payable								
Increase (decrease) in accrued interest payable								
Increase (decrease) in deposits payable								
Increase (decrease) in due to other funds								
Increase (decrease) in due to other agencies								
Increase (decrease) in deferred revenues								
Increase (decrease) in estimated unpaid claims								
Increase (decrease) in estimated liability for claims adjustment expense								
Total adjustments	(683.14)							(683.14)
Net cash provided (used) by operating activities	(35,933.52)							(35,933.52)
Noncash investing, capital, and financing activities:								
Borrowing under capital lease								
Contributions of capital assets								
Purchase of equipment on account								
Capital asset trade-ins								
Net Increase/(Decrease) in the fair value of investments								
Commodities received through USDA program								

The notes to the financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS**

June 30, 2005

	Account Number	Investment Trust Fund 84X	Investment Trust Fund 84X	Investment Trust Fund 84X	Total Investment Trust Funds
ASSETS					
Cash and Cash Equivalents	1110				
Investments	1160				
Accounts Receivable, Net	1130				
Interest Receivable	1170				
Due from Other Funds-Budgetary	1141				
Due from Other Agencies	1220				
Total Assets					
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120				
Due to Other Agencies	2230				
Internal Accounts Payable	2290				
Due to Other Funds-Budgetary	2161				
Total Liabilities					
NET ASSETS					
Assets Held in Trust for Pension Benefits					
Assets Held in Trust for Scholarships and Other Purposes					
Total Net Assets					

The notes to the financial statements are an integral part of this statement.
ESE 145

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF CHANGES IN NET ASSETS
INVESTMENT TRUST FUNDS**

For the Fiscal Year Ended June 30, 2005

	Account Number	Investment Trust Fund 84X	Investment Trust Fund 84X	Investment Trust Fund 84X	Total Investment Trust Funds
ADDITIONS					
Contributions:					
Employer					
Plan Members					
Gifts, Grants and Bequests	3440				
Investment Earnings:					
Interest on Investments	3431				
Gain on Sale of Investments	3432				
Net Increase (Decrease) in the Fair Value of Investments	3433				
Total Investment Earnings					
Less Investment Expense					
Net Investment Earnings					
Total Additions					
DEDUCTIONS					
Salaries	100				
Employee Benefits	200				
Purchased Services	300				
Other Expenses	700				
Refunds of Contributions					
Administrative Expenses					
Total Deductions					
Change In Net Assets					
Net Assets - July 1, 2004	2885				
Net Assets - June 30, 2005	2785				

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

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2005**

	Account Number	Private-Purpose Trust Fund 85X	Private-Purpose Trust Fund 85X	Private-Purpose Trust Fund 85X	Total Private-Purpose Trust Funds
ASSETS					
Cash and Cash Equivalents	1110	500,852.97			500,852.97
Investments	1160				
Accounts Receivable, Net	1130				
Interest Receivable	1170				
Due from Other Funds-Budgetary	1141				
Due from Other Agencies	1220				
Total Assets		500,852.97			500,852.97
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120				
Due to Other Agencies	2230				
Internal Accounts Payable	2290				
Due to Other Funds-Budgetary	2161				
Total Liabilities					
NET ASSETS					
Assets Held in Trust for Pension Benefits					
Assets Held in Trust for Scholarships and Other Purposes		500,852.97			500,852.97
Total Net Assets		500,852.97			500,852.97

The notes to the financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF CHANGES IN NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2005

	Account Number	Private-Purpose Trust Fund 85X	Private-Purpose Trust Fund 85X	Private-Purpose Trust Fund 85X	Total Private-Purpose Trust Funds
ADDITIONS					
Contributions:					
Employer					
Plan Members					
Gifts, Grants and Bequests	3440	102,633.59			102,633.59
Investment Earnings:					
Interest on Investments	3431	232.10			232.10
Gain on Sale of Investments	3432				
Net Increase (Decrease) in the Fair Value of Investments	3433				
Total Investment Earnings		232.10			232.10
Less Investment Expense					
Net Investment Earnings		232.10			232.10
Total Additions		102,865.69			102,865.69
DEDUCTIONS					
Salaries	100				
Employee Benefits	200				
Purchased Services	300	75,980.63			75,980.63
Other Expenses	700				
Refunds of Contributions					
Administrative Expenses					
Total Deductions		75,980.63			75,980.63
Change In Net Assets		26,885.06			26,885.06
Net Assets - July 1, 2004	2885				
Net Assets - June 30, 2005	2785	26,885.06			26,885.06

The notes to the financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
June 30, 2005**

	Account Number	Pension Trust Fund 87X	Pension Trust Fund 87X	Pension Trust Fund 87X	Total Pension Trust Funds
ASSETS					
Cash and Cash Equivalents	1110				
Investments	1160				
Accounts Receivable, Net	1130				
Interest Receivable	1170				
Due from Other Funds-Budgetary	1141				
Due from Other Agencies	1220				
Total Assets					
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120				
Due to Other Agencies	2230				
Internal Accounts Payable	2290				
Due to Other Funds-Budgetary	2161				
Total Liabilities					
NET ASSETS					
Assets Held in Trust for Pension Benefits					
Assets Held in Trust for Scholarships and Other Purposes					
Total Net Assets					

The notes to the financial statements are an integral part of this statement.
ESE 145

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS**

For the Fiscal Year Ended June 30, 2005

	Account Number	Pension Trust Fund 87X	Pension Trust Fund 87X	Pension Trust Fund 87X	Total Pension Trust Funds
ADDITIONS					
Contributions:					
Employer					
Plan Members					
Gifts, Grants and Bequests	3440				
Investment Earnings:					
Interest on Investments	3431				
Gain on Sale of Investments	3432				
Net Increase (Decrease) in the Fair Value of Investments	3433				
Total Investment Earnings					
Less Investment Expense					
Net Investment Earnings					
Total Additions					
DEDUCTIONS					
Salaries	100				
Employee Benefits	200				
Purchased Services	300				
Other Expenses	700				
Refunds of Contributions					
Administrative Expenses					
Total Deductions					
Change In Net Assets					
Net Assets - July 1, 2004	2885				
Net Assets - June 30, 2005	2785				

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

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**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS**

June 30, 2005

	Account Number	School Internal Funds 891	Agency Fund 89X	Agency Fund 89X	Total Agency Funds
ASSETS					
Cash and Cash Equivalents	1110	12,141,492.84			12,141,492.84
Investments	1160				
Accounts Receivable, Net	1130	778,134.15			778,134.15
Interest Receivable	1170				
Due from Other Funds-Budgetary	1141				
Inventory	1150				
Due from Other Agencies	1220				
Total Assets		12,919,626.99			12,919,626.99
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120	25,805.03			25,805.03
Due to Other Agencies	2230				
Internal Accounts Payable	2290	12,494,362.45			12,494,362.45
Due to Other Funds-Budgetary	2161	399,459.51			399,459.51
Total Liabilities		12,919,626.99			12,919,626.99

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

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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
SCHOOL INTERNAL FUNDS
June 30, 2005

	Account Number	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS					
Cash and Cash Equivalents	1110	12,258,223.40	60,748,975.51	60,865,706.07	12,141,492.84
Investments	1160				
Accounts Receivable, Net	1130	481,606.84	778,134.15	481,606.84	778,134.15
Interest Receivable	1170				
Due From Other Funds:					
Budgetary Funds	1141				
Inventory	1150				
Due from Other Agencies	1220				
Total Assets		12,739,830.24	61,527,109.66	61,347,312.91	12,919,626.99
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120	117,286.16	25,805.03	117,286.16	25,805.03
Due to Other Funds Budgetary	2161	310,160.25	399,459.51	310,160.25	399,459.51
Internal Accounts Payable	2290	12,312,383.83	61,101,845.12	60,919,866.50	12,494,362.45
Total Liabilities		12,739,830.24	61,527,109.66	61,347,312.91	12,919,626.99

The notes to the financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)**

NAME OF AGENCY FUND

June 30, 2005

	Account Number	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS					
Cash and Cash Equivalents	1110				
Investments	1160				
Accounts Receivable, Net	1130				
Interest Receivable	1170				
Due From Other Funds:					
Budgetary Funds	1141				
Inventory	1150				
Due from Other Agencies	1220				
Total Assets					
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120				
Due to Other Funds Budgetary	2161				
Internal Accounts Payable	2290				
Total Liabilities					

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

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**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
NAME OF AGENCY FUND**

June 30, 2005

	Account Number	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS					
Cash and Cash Equivalents	1110				
Investments	1160				
Accounts Receivable, Net	1130				
Interest Receivable	1170				
Due From Other Funds:					
Budgetary Funds	1141				
Inventory	1150				
Due from Other Agencies	1220				
Total Assets					
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120				
Due to Other Funds Budgetary	2161				
Internal Accounts Payable	2290				
Total Liabilities					

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
TOTAL AGENCY FUNDS
June 30, 2005

	Account Number	Total Agency Fund Balances July 1, 2004	Total Agency Fund Additions	Total Agency Fund Deductions	Total Agency Fund Balances June 30, 2005
ASSETS					
Cash and Cash Equivalents	1110	12,258,223.40	60,748,975.51	60,865,706.07	12,141,492.84
Investments	1160				
Accounts Receivable, Net	1130	481,606.84	778,134.15	481,606.84	778,134.15
Interest Receivable	1170				
Due From Other Funds:					
Budgetary Funds	1141				
Inventory	1150				
Due from Other Agencies	1220				
Total Assets		12,739,830.24	61,527,109.66	61,347,312.91	12,919,626.99
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120	117,286.16	25,805.03	117,286.16	25,805.03
Due to Other Funds Budgetary	2161	310,160.25	399,459.51	310,160.25	399,459.51
Internal Accounts Payable	2290	12,312,383.83	61,101,845.12	60,919,866.50	12,494,362.45
Total Liabilities		12,739,830.24	61,527,109.66	61,347,312.91	12,919,626.99

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF NET ASSETS
NONMAJOR COMPONENT UNITS
June 30, 2005

ASSETS	Account Number	Nonmajor Component Unit	Nonmajor Component Unit	Nonmajor Component Unit	Total Nonmajor Component Units
Cash and Cash Equivalents	1110				
Investments	1160				
Taxes Receivable, net	1120				
Accounts Receivable, net	1130				
Interest Receivable	1170				
Due from Reinsurer	1180				
Deposits Receivable	1210				
Due from Other Agencies	1220				
Internal Balances					
Inventory	1150				
Prepaid Items	1230				
Restricted Assets:					
Cash with Fiscal Agent	1114				
Capital Assets:					
Land	1310				
Land Improvements - Nondepreciable	1315				
Construction in Progress	1360				
Improvements Other Than Buildings	1320				
Less Accumulated Depreciation	1329				
Buildings and Fixed Equipment	1330				
Less Accumulated Depreciation	1339				
Furniture, Fixtures and Equipment	1340				
Less Accumulated Depreciation	1349				
Motor Vehicles	1350				
Less Accumulated Depreciation	1359				
Property Under Capital Leases	1370				
Less Accumulated Depreciation	1379				
Audio Visual Materials	1381				
Less Accumulated Depreciation	1388				
Computer Software	1382				
Less Accumulated Amortization	1389				
Total Assets					
LIABILITIES AND NET ASSETS					
LIABILITIES					
Salaries and Wages Payable	2110				
Payroll Deductions and Withholdings	2170				
Accounts Payable	2120				
Construction Contracts Payable	2140				
Due to Fiscal Agent	2240				
Accrued Interest on Sale of Bonds	2210				
Deposits Payable	2220				
Due to Other Agencies	2230				
Sales Tax Payable	2260				
Estimated Unpaid Claims	2271				
Estimated Liability for Claims Adjustment	2272				
Noncurrent Liabilities:					
Portion Due Within One Year:					
Section 1011.13 Notes Payable	2250				
Notes Payable	2310				
Bonds Payable	2320				
Obligations Under Capital Leases	2315				
Liability for Compensated Absences	2330				
Certificates of Participation Payable	2340				
Estimated Liability for Long-Term Claims	2350				
Estimated PECO Advance Payable	2370				
Deferred Revenue	2410				
Estimated Liability for Arbitrage Rebate	2280				
Portion Due After One Year:					
Notes Payable	2310				
Bonds Payable	2320				
Obligations Under Capital Leases	2315				
Liability for Compensated Absences	2330				
Certificates of Participation Payable	2340				
Estimated Liability for Long-Term Claims	2350				
Estimated PECO Advance Payable	2370				
Deferred Revenue	2410				
Estimated Liability for Arbitrage Rebate	2280				
Total Liabilities					
NET ASSETS					
Invested in Capital Assets, Net of Related Debt					
Restricted For:					
Categorical Carryover Programs	2710				
Debt Service	2750				
Capital Projects					
Other Purposes					
Unrestricted					
Total Net Assets					
Total Liabilities and Net Assets					

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
 NONMAJOR COMPONENT UNITS
 NAME OF NONMAJOR COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2005

FUNCTIONS	Account Number	Expenses	Program Revenues		Component Unit Activities
			Charges for Services	Operating Grants and Contributions	
Component Unit Activities:					
Instruction	5000				
Pupil Personnel Services	6100				
Instructional Media Services	6200				
Instruction and Curriculum Development Services	6300				
Instructional Staff Training Services	6400				
Board	7100				
General Administration	7200				
School Administration	7300				
Facilities Acquisition and Construction	7400				
Fiscal Services	7500				
Food Services	7600				
Central Services	7700				
Pupil Transportation Services	7800				
Operation of Plant	7900				
Maintenance of Plant	8100				
Community Services	9100				
Interest on Long-term Debt	9200				
Unallocated Depreciation/Amortization Expense*					
Total Component Unit Activities					

General Revenues:	Net (Expense) Revenue and Changes in Net Assets
Taxes:	
Property Taxes, Levied for Operational Purposes	
Property Taxes, Levied for Debt Service	
Property Taxes, Levied for Capital Projects	
Local Sales Taxes	
Grants and Contributions Not Restricted to Specific Programs	
Investment Earnings	
Miscellaneous	
Special Items	
Extraordinary Items	
Transfers	
Total General Revenues, Special Items, Extraordinary Items and Transfers	
Change in Net Assets	
Net Assets - July 1, 2004	
Net Assets - June 30, 2005	

*This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
NONMAJOR COMPONENT UNITS
NAME OF NONMAJOR COMPONENT UNIT
For the Fiscal Year Ended June 30, 2005

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit Activities:						
Instruction	5000					
Pupil Personnel Services	6100					
Instructional Media Services	6200					
Instruction and Curriculum Development Services	6300					
Instructional Staff Training Services	6400					
Board	7100					
General Administration	7200					
School Administration	7300					
Facilities Acquisition and Construction	7400					
Fiscal Services	7500					
Food Services	7600					
Central Services	7700					
Pupil Transportation Services	7800					
Operation of Plant	7900					
Maintenance of Plant	8100					
Community Services	9100					
Interest on Long-term Debt	9200					
Unallocated Depreciation/Amortization Expense*						
Total Component Unit Activities						

General Revenues:	
Taxes:	
Property Taxes, Levied for Operational Purposes	
Property Taxes, Levied for Debt Service	
Property Taxes, Levied for Capital Projects	
Local Sales Taxes	
Grants and Contributions Not Restricted to Specific Programs	
Investment Earnings	
Miscellaneous	
Special Items	
Extraordinary Items	
Transfers	
Total General Revenues, Special Items, Extraordinary Items and Transfers	
Change in Net Assets	
Net Assets - July 1, 2004	
Net Assets - June 30, 2005	

*This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

The notes to the financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
 NONMAJOR COMPONENT UNITS

NAME OF NONMAJOR COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2005

FUNCTIONS Component Unit Activities:	Account Number	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants and Contributions	
Instruction	5000				
Pupil Personnel Services	6100				
Instructional Media Services	6200				
Instruction and Curriculum Development Services	6300				
Instructional Staff Training Services	6400				
Board	7100				
General Administration	7200				
School Administration	7300				
Facilities Acquisition and Construction	7400				
Fiscal Services	7500				
Food Services	7600				
Central Services	7700				
Pupil Transportation Services	7800				
Operation of Plant	7900				
Maintenance of Plant	8100				
Community Services	9100				
Interest on Long-term Debt	9200				
Unallocated Depreciation/Amortization Expense*					
Total Component Unit Activities					

General Revenues:	
Taxes:	
Property Taxes, Levied for Operational Purposes	
Property Taxes, Levied for Debt Service	
Property Taxes, Levied for Capital Projects	
Local Sales Taxes	
Grants and Contributions Not Restricted to Specific Programs	
Investment Earnings	
Miscellaneous	
Special Items	
Extraordinary Items	
Transfers	
Total General Revenues, Special Items, Extraordinary Items and Transfers	
Change in Net Assets	
Net Assets - July 1, 2004	
Net Assets - June 30, 2005	

*This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

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

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
TOTAL NONMAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2005

FUNCTIONS Component Unit Activities:	Account Number	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants and Contributions	
Instruction	5000				
Pupil Personnel Services	6100				
Instructional Media Services	6200				
Instruction and Curriculum Development Services	6300				
Instructional Staff Training Services	6400				
Board	7100				
General Administration	7200				
School Administration	7300				
Facilities Acquisition and Construction	7400				
Fiscal Services	7500				
Food Services	7600				
Central Services	7700				
Pupil Transportation Services	7800				
Operation of Plant	7900				
Maintenance of Plant	8100				
Community Services	9100				
Interest on Long-term Debt	9200				
Unallocated Depreciation/Amortization Expense*					
Total Component Unit Activities					

General Revenues:	
Taxes:	
Property Taxes, Levied for Operational Purposes	
Property Taxes, Levied for Debt Service	
Property Taxes, Levied for Capital Projects	
Local Sales Taxes	
Grants and Contributions Not Restricted to Specific Programs	
Investment Earnings	
Miscellaneous	
Special Items	
Extraordinary Items	
Transfers	
Total General Revenues, Special Items, Extraordinary Items and Transfers	
Change in Net Assets	
Net Assets - July 1, 2004	
Net Assets - June 30, 2005	

*This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

The notes to the financial statements are an integral part of this statement.
ESE 145

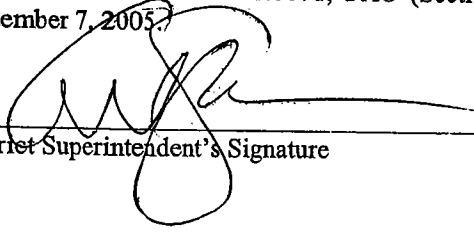
**FLORIDA DEPARTMENT OF EDUCATION
 REPORT OF FINANCIAL DATA TO THE
 COMMISSIONER OF EDUCATION (ESE 348)
 DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 For the Fiscal Year Ended June 30, 2005**

Return completed form to:
 Department of Education
 Office of Funding and
 Financial Reporting
 325 W. Gaines St., Suite 824
 Tallahassee, FL 32399-0400

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The Report of Financial Data to the Commissioner of Education (ESE 348) for the fiscal year ended June 30, 2005, was submitted in accordance with Rule 6A-1.0071, FAC (Section 1001.51(12)(b), F.S.). This report was approved by the school board on September 7, 2005.

_____ 
 District Superintendent's Signature

 Date

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND
For the Fiscal Year Ended June 30, 2005

Exhibit K-1
DOE Page 1
Fund 100

	Account Number	
REVENUES		
Federal Direct:		
Federal Impact, Current Operation	3121	19,745.42
Reserve Officers Training Corps (ROTC)	3191	692,022.37
Miscellaneous Federal Direct	3199	
Total Federal Direct	3100	711,767.79
Federal Through State:		
Medicaid	3202	3,285,277.45
National Forest Funds	3255	
Miscellaneous Federal Through State	3299	
Total Federal Through State	3200	3,285,277.45
State:		
Florida Education Finance Program	3310	247,463,288.00
Workforce Development	3315	15,055,957.00
Workforce Development Capitalization Incentive Grant	3316	
Adults with Disabilities	3318	1,507,046.00
CO&DS Withheld for Administrative Expense	3323	104,177.55
Categoricals:		
Florida Teachers Lead Program	3334	1,094,004.00
Instructional Materials	3336	15,772,820.00
District Discretionary Lottery Funds	3344	10,210,495.00
Transportation	3354	27,930,560.00
Class Size Reduction/Operating Funds	3355	67,962,364.00
School Recognition Funds	3361	8,820,466.00
Teacher Recruitment and Retention	3362	
Excellent Teaching Program	3363	2,797,569.60
Preschool Projects	3372	
Reading Programs	3373	
Public School Technology	3375	3,277,972.00
Teacher Training	3376	2,376,787.00
Full Service Schools	3378	
Other State:		
Diagnostic and Learning Resources Centers	3335	
Racing Commission Funds	3341	
State Forest Funds	3342	
State License Tax	3343	337,075.82
Other Miscellaneous State Revenue	3399	6,049,310.85
Total State	3300	410,759,892.82
Local:		
District School Taxes	3411	662,247,616.55
Tax Redemptions	3421	
Payment in Lieu of Taxes	3422	30,510.75
Excess Fees	3423	384,947.94
Tuition	3424	
Rent	3425	517,191.52
Interest on Investments	3431	6,888,310.31
Gain on Sale of Investments	3432	(180,959.15)
Net Increase (Decrease) in Fair Value of Investments	3433	449,624.83
Gifts, Grants and Bequests	3440	250.00
Adult General Education Course Fees	3461	1,993.00
Postsecondary Vocational Course Fees	3462	
Continuing Workforce Education Course Fees	3463	7,033.95
Capital Improvement Fees	3464	350.01
Postsecondary Lab Fees	3465	
Lifelong Learning Fees	3466	
Financial Aid Fees	3468	701.04
Other Student Fees	3469	1,373,053.96
Preschool Program Fees	3471	
Pre-K Early Intervention Fees	3472	
School Age Child Care Fees	3473	17,104,738.26
Other School, Course and Class Fees	3479	
Miscellaneous Local:		
Bus Fees	3491	974,262.00
Transportation Services-School Activities	3492	617,925.47
Sale of Junk	3493	486,032.39
Receipt of Federal Indirect Cost Rate	3494	2,359,838.90
Other Miscellaneous Local Sources	3495	10,156,846.38
Impact Fees	3496	
Refunds of Prior Year's Expenditures	3497	144,018.44
Collections for Lost, Damaged and Sold Textbooks	3498	584,810.38
Receipt of Food Service Indirect Costs	3499	963,377.67
Total Local	3400	705,112,474.60
Total Revenues	3000	1,119,869,412.66

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GENERAL FUND (Continued)**

For the Fiscal Year Ended June 30, 2005

Exhibit K-1
DOE Page 2
Fund 100

EXPENDITURES	Account Number	100							Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	
Current:									
Instruction	5000	498,956,859.55	140,313,051.68	59,478,870.76		22,274,671.23	831,309.97	16,237,007.21	738,091,770.40
Pupil Personnel Services	6100	26,657,246.44	7,631,587.00	1,725,119.87		274,773.50	8,358.77	96,405.30	36,393,490.88
Instructional Media Services	6200	11,405,008.67	3,465,481.29	520,064.27	1,431.49	330,536.80	798,608.82	92,849.84	16,613,981.18
Instruction and Curriculum Development Services	6300	24,492,258.29	6,928,529.36	279,350.84		275,279.79	136,498.49	80,150.22	32,192,066.99
Instructional Staff Training Services	6400	9,539,137.10	2,589,975.37	1,239,612.93		534,137.12	50,244.84	243,046.79	14,196,154.15
Board	7100	2,396,776.25	611,640.12	607,096.91		35,675.57	6,186.71	532,141.65	4,189,517.21
General Administration	7200	4,585,511.73	1,130,901.26	1,016,319.43		45,657.10	9,278.49	67,365.08	6,855,033.09
School Administration	7300	63,444,725.06	17,271,592.59	409,104.21		765,271.61	84,962.33	91,184.60	82,066,840.40
Facilities Acquisition and Construction	7410	33,198.72	8,542.55	437,736.28			360.00		479,837.55
Fiscal Services	7500	2,831,291.38	825,575.30	460,785.43		76,380.36	12,137.79	91,652.93	4,297,823.19
Food Services	7600								0.00
Central Services	7700	11,302,203.57	3,107,317.40	3,478,175.58	50,894.29	100,813.92	82,433.34	180,429.22	18,302,267.32
Pupil Transportation Services	7800	22,844,411.35	8,999,677.54	1,998,879.73	3,570,639.24	1,957,562.78	11,009.92	366,033.79	39,748,214.35
Operation of Plant	7900	34,574,391.63	12,921,608.18	19,244,652.90	30,880,011.64	3,298,406.53	121,023.94	6,371,326.88	107,411,421.70
Maintenance of Plant	8100	2,906,505.21	881,883.10	12,459,603.42	563,967.50	5,623,981.19	405,843.51	22,042,342.09	44,884,126.02
Community Services	9100	8,747,603.90	3,163,440.78	1,192,002.32	640.53	781,259.18	209,461.16	5,630,878.70	19,725,286.57
Capital Outlay:									
Facilities Acquisition and Construction	7420						66,629.00		66,629.00
Other Capital Outlay	9300						1,489,112.67		1,489,112.67
Debt Service: (Function 9200)									
Redemption of Principal	710								0.00
Interest	720							772,493.50	772,493.50
Total Expenditures		724,717,128.85	209,850,803.52	104,547,374.88	35,067,584.69	36,374,406.68	4,323,459.75	52,895,307.80	1,167,776,066.17
Excess (Deficiency) of Revenues Over Expenditures									(47,906,653.51)

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND (Continued)

Exhibit K-1

DOE Page 3

For the Fiscal Year Ended June 30, 2005

Fund 100

	Account Number	
OTHER FINANCING SOURCES (USES)		
Loans	3720	
Sales of Capital Assets	3730	
Loss Recoveries	3740	12,261,921.69
Transfers In:		
From Debt Service Funds	3620	
From Capital Projects Funds	3630	40,155,459.98
From Special Revenue Funds	3640	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	40,155,459.98
Transfers Out: (Function 9700)		
To Debt Service Funds	920	
To Capital Projects Funds	930	
To Special Revenue Funds	940	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		52,417,381.67
Net Change In Fund Balance		4,510,728.16
Fund Balance, July 1, 2004	2800	89,124,462.27
Adjustments to Fund Balance	2891	
Fund Balance, June 30, 2005	2700	93,635,190.43

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUND - FOOD SERVICES**

Exhibit K-2
DOE Page 4
Fund 410

For the Fiscal Year Ended June 30, 2005

	Account Number	
REVENUES		
Federal Through State:		
School Lunch Reimbursement	3261	22,641,191.40
School Breakfast Reimbursement	3262	5,320,829.23
After School Snack Reimbursement	3263	538,588.17
Child Care Food Program	3264	
USDA Donated Foods	3265	3,665,715.19
Cash in Lieu of Donated Foods	3266	
Summer Food Service Program	3267	666,115.04
Nutrition Education and Training Program	3268	
Other Food Service Revenues	3269	
Miscellaneous Federal Through State	3299	
Total Federal Through State	3200	32,832,439.03
State:		
School Breakfast Supplement	3337	371,791.00
School Lunch Supplement	3338	515,440.00
Other Miscellaneous State Revenues	3399	
Total State	3300	887,231.00
Local:		
Interest on Investments	3431	332,383.32
Gain on Sale Of Investments	3432	(8,798.94)
Net Increase (Decrease) in Fair Value of Investments	3433	45,311.28
Gifts, Grants and Bequests	3440	
Student Lunches	3451	5,252,668.92
Student Breakfasts	3452	475,894.55
Adult Breakfasts/Lunches	3453	1,211,852.11
Student and Adult a la Carte	3454	13,776,262.46
Student Snacks	3455	
Other Food Sales	3456	1,056,274.57
Other Miscellaneous Local Sources	3495	641,217.86
Refunds of Prior Year's Expenditures	3497	13.60
Total Local	3400	22,783,079.73
Total Revenues	3000	56,502,749.76

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE

Exhibit K-2
 DOE Page 5
 Fund 410

FUND - FOOD SERVICES (Continued)

For the Fiscal Year Ended June 30, 2005

	Account Number	
EXPENDITURES (Function 7600)		
Salaries	100	17,094,355.66
Employee Benefits	200	9,374,768.70
Purchased Services	300	4,749,500.30
Energy Services	400	640,969.48
Materials and Supplies	500	22,008,549.27
Capital Outlay	600	291,481.24
Other Expenses	700	1,545,419.22
Other Capital Outlay (Function 9300)	600	238,030.22
Total Expenditures	7600	55,943,074.09
Excess (Deficiency) of Revenues Over Expenditures		559,675.67
OTHER FINANCING SOURCES (USES)		
Proceeds of Loans	3720	
Proceeds from Sale of Capital Assets	3730	
Loss Recoveries	3740	
Transfers In:		
From General Fund	3610	
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	0.00
Transfers Out: (Function 9700)		
To General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		0.00
Net Change in Fund Balance		559,675.67
Fund Balance, July 1, 2004	2800	15,976,210.66
Adjustments to Fund Balance	2891	
Fund Balance, June 30, 2005	2700	16,535,886.33

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUND - OTHER FEDERAL PROGRAMS**

Exhibit K-3
DOE Page 6
Fund 420

For the Fiscal Year Ended June 30, 2005

	Account Number	
REVENUES		
Federal Direct:		
Workforce Investment Act	3170	
Community Action Programs	3180	
Reserve Officers Training Corps (ROTC)	3191	
Miscellaneous Federal Direct	3199	5,159,886.69
Total Federal Direct	3100	5,159,886.69
Federal Through State:		
Vocational Education Acts	3201	1,766,886.34
Medicaid	3202	
Workforce Investment Act	3220	78,067.38
Eisenhower Math and Science	3226	27,700.00
Drug Free Schools	3227	
Individuals with Disabilities Education Act	3230	35,251,931.74
Elementary and Secondary Education Act, Title I	3240	29,372,586.04
Adult General Education	3251	1,202,714.52
Vocational Rehabilitation	3253	
Elementary and Secondary Education Act, Title VI	3270	21,548.88
Cuban and Haitian Refugee Program	3291	696,458.58
Transition Program for Refugee Children	3292	
Emergency Immigrant Education Program	3293	2,583,674.98
Miscellaneous Federal Through State	3299	18,322,321.98
Total Federal Through State	3200	89,323,890.44
State:		
Other Miscellaneous State Revenue	3399	5,031,265.69
Total State	3300	5,031,265.69
Local:		
Interest on Investments	3431	
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	2,792,636.88
Sale of Junk	3493	
Other Miscellaneous Local Sources	3495	3,205,344.69
Refund of Prior Year's Expenditures	3497	
Total Local	3400	5,997,981.57
Total Revenues	3000	105,513,024.39

**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS (Continued)**

For the Fiscal Year Ended June 30, 2005

Exhibit K-3
DOE Page 7
Fund 420

EXPENDITURES	Account Number	100							Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	
Current:									
Instruction	5000	22,955,800.01	8,697,373.52	3,742,383.89	1,621.77	4,722,687.76	2,908,470.10	795,645.51	43,823,982.56
Pupil Personnel Services	6100	7,419,085.19	2,251,791.51	1,664,668.13		648,877.31	116,362.19	83,291.92	12,184,076.25
Instructional Media Services	6200						25,214.34		25,214.34
Instruction and Curriculum Development Services	6300	13,009,330.74	3,840,363.54	759,548.53		1,048,170.22	102,872.31	203,313.35	18,963,598.69
Instructional Staff Training Services	6400	7,844,326.81	2,008,852.61	3,209,638.87		2,070,797.24	125,780.93	508,828.99	15,768,225.45
Board	7100								0.00
General Administration	7200			4,500.00				2,359,838.90	2,364,338.90
School Administration	7300	261,461.30	20,081.03	371,908.36		13,419.79	49,782.83	18,004.37	734,657.68
Facilities Acquisition and Construction	7410			279,858.32			41,062.93		320,921.25
Fiscal Services	7500			148,057.39				148,057.39	148,057.39
Food Services	7600						3,200.00		3,200.00
Central Services	7700	2,351,740.15	192,207.01	173,528.74		2,780.00		1,355.00	2,721,610.90
Pupil Transportation Services	7800	895.83	161.24	135,110.00	4,434.94	4,837.74		1,066,669.43	1,214,109.18
Operation of Plant	7900	1,109,188.30	409,855.06	80,024.56	32,533.11	7,835.31		158,251.93	1,797,688.27
Maintenance of Plant	8100			14,299.30					14,299.30
Community Services	9100	1,878,517.64	429,984.56	684,444.57	37,934.27	137,483.27	11,816.48	89,225.57	3,269,406.36
Capital Outlay:									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300						2,182,833.66		2,182,833.66
Debt Service: (Function 9200)									0.00
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		56,830,345.97	17,850,670.08	11,267,970.66	76,524.09	8,656,888.64	5,567,395.77	5,286,424.97	105,536,220.18
OTHER FINANCING SOURCES (USES)									(23,195.79)
Loans	3720								
Sales of Capital Assets	3730								
Loss Recoveries	3740								
Transfers In:									
From General Fund	3610								
From Debt Service Funds	3620								
From Capital Projects Funds	3630								
Interfund	3650								
From Permanent Funds	3660								
From Internal Service Funds	3670								
From Enterprise Funds	3690								
Total Transfers In	3600								0.00
Transfers Out: (Function 9700)									
To the General Fund	910								
To Debt Service Funds	920								
To Capital Projects Funds	930								
Interfund	950								
To Permanent Funds	960								
To Internal Service Funds	970								
To Enterprise Funds	990								
Total Transfers Out	9700								0.00
Total Other Financing Sources (Uses)									0.00
Net Change in Fund Balance									(23,195.79)
Fund Balance, July 1, 2004	2800								2,317,752.06
Adjustments to Fund Balance	2891								
Fund Balance, June 30, 2005	2700								2,294,556.27

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND -
MISCELLANEOUS
For the Fiscal Year Ended June 30, 2005

Exhibit K-4
DOE Page 8
FUND 490

	Account Number	
REVENUES		
Interest on Investments	3431	
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	
Other Miscellaneous Local Sources	3495	
Total Revenues	3000	0.00
EXPENDITURES		
Current:		
Instruction	5000	
Pupil Personnel Services	6100	
Instructional Media Services	6200	
Instruction and Curriculum Development Services	6300	
Instructional Staff Training Services	6400	
Board	7100	
General Administration	7200	
School Administration	7300	
Facilities Acquisition and Construction	7410	
Fiscal Services	7500	
Central Services	7700	
Pupil Transportation Services	7800	
Operation of Plant	7900	
Maintenance of Plant	8100	
Community Services	9100	
Capital Outlay:		
Facilities Acquisition and Construction	7420	
Other Capital Outlay	9300	
Total Expenditures		0.00
Excess (Deficiency) of Revenues Over Expenditures		0.00
OTHER FINANCING SOURCES (USES)		
Transfers In:		
From General Fund	3610	
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Transfers Out: (Function 9700)		
To General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Other Financing Sources (Uses)		0.00
Net Change in Fund Balance		0.00
Fund Balance, July 1, 2004	2800	
Adjustments to Fund Balance	2891	
Fund Balance, June 30, 2005	2700	

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2005

	Account Number	SBE/COBI Bonds (210)	Special Act Bonds (220)	Section 1011.14/1011.15 F.S. Loans (230)	Motor Vehicle Revenue Bonds (240)	District Bonds (250)	Other Debt Service (290)	Totals
REVENUES								
CO & DS Distributed	3321							0.00
CO & DS Withheld for SBE/COBI Bonds	3322	5,741,193.88						5,741,193.88
Cost of Issuing SBE/COBI Bonds	3324							0.00
Interest on Undistributed CO&DS	3325							0.00
SBE/COBI Bond Interest	3326	11,251.49						11,251.49
Racing Commission Funds	3341							0.00
Other Miscellaneous State Revenue	3399							0.00
Total State Sources	3300	5,752,445.37	0.00	0.00	0.00	0.00	0.00	5,752,445.37
District Interest and Sinking Taxes	3412					29,477,768.48		29,477,768.48
Local Sales Tax	3418					0.00		0.00
Tax Redemptions	3421					0.00		0.00
Payments in Lieu of Taxes	3422					0.00		0.00
Excess Fees	3423					0.00		0.00
Interest on Investments	3431					589,026.04	958,423.57	1,547,449.61
Gain on Sale of Investments	3432					(17,859.03)	(416,569.35)	(434,428.38)
Net Increase (Decrease) in Fair Value of Investments	3433					89,018.64	113,562.98	202,581.62
Grants, Grants, and Bequests	3440							0.00
Miscellaneous Local Revenues	3495					39,494.02	138,144.92	177,638.94
Impact Fees	3496							0.00
Refunds of Prior Year Expenditures	3497							0.00
Total Local Sources	3400	0.00	0.00	0.00	0.00	30,177,448.15	793,562.12	30,971,010.27
Total Revenues	3000	5,752,445.37	0.00	0.00	0.00	30,177,448.15	793,562.12	36,723,455.64
EXPENDITURES (Function 9200)								
Redemption of Principal	710	3,415,000.00				24,110,000.00	24,855,000.00	52,380,000.00
Interest	720	2,451,988.75				4,409,100.00	63,313,277.91	72,174,366.66
Dues and Fees	730	5,084.21				579,025.77	2,196,187.97	2,780,297.97
Miscellaneous Expenses	790					29,098,125.77	92,364,465.90	127,334,664.63
Total Expenditures		5,872,072.96	0.00	0.00	0.00	1,079,322.38	(91,370,903.78)	(90,611,208.99)
OTHER FINANCING SOURCES (USES)								
OTHER FINANCING SOURCES (USES)								
Sale of Bonds	3710							0.00
Premium on Sale of Bonds	3791							0.00
Proceeds of Refunding Bonds	3715					124,630,000.00		124,630,000.00
Premium on Refunding Bonds	3792					10,394,473.45		10,394,473.45
Proceeds of Loans	3720							0.00
Proceeds of Certificates of Participation	3750							0.00
Premium on Certificates of Participation	3793							0.00
Proceeds of Forward Supply Contract	3760							0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760						(134,646,971.84)	(134,646,971.84)
Discounts on Sale of Bonds (Function 9299)	891							0.00
Discounts on Refunding Bonds (Function 9299)	892							0.00
Discounts on Certificates of Participation (Function 9299)	893							0.00
Transfers In:								
From General Fund	3610							0.00
From Capital Projects Funds	3630						87,726,452.57	87,726,452.57
From Special Revenue Funds	3640							0.00
Interfund	3650							0.00
From Permanent Funds	3660							0.00
From Internal Service Funds	3670							0.00
From Enterprise Funds	3690							0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00	87,726,452.57	87,726,452.57
Transfers Out: (Function 9700)								
To General Fund	910							0.00
To Capital Projects Funds	930							0.00
To Special Revenue Funds	940							0.00
Interfund	950							0.00
To Permanent Funds	960							0.00
To Internal Service Funds	970							0.00
To Enterprise Funds	990							0.00
Total Transfers Out	9700	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Financing Sources (Uses)		(119,627.59)	0.00	0.00	0.00	1,079,322.38	88,103,954.18	(2,507,254.81)
Net Change in Fund Balances	2800	1,261,081.71	0.00	0.00	0.00	33,479,419.23	163,640,139.58	197,380,640.52
Fund Balances, July 1, 2004	2891						956,938.43	956,938.43
Adjustments to Fund Balances		1,141,454.12				33,538,741.61	161,130,128.41	195,830,324.14
Fund Balances, June 30, 2005	2700							

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS
 For the Fiscal Year Ended June 30, 2005

Exhibit K-6
 DOE Page 10

	Account Number	Capital Outlay Bond Issues (COBI) (310)	Special Act Bonds (Racetrack) (320)	Section 1011.14/1011.15 F.S. Loans (330)	Public Education Capital Outlay (PECO) (340)	District Bonds (350)
REVENUES						
Miscellaneous Federal Direct	3199					
Miscellaneous Federal Through State	3299					
CO&DS Distributed	3321					
Interest on Undistributed CO&DS	3325					
SBH/COBI Bond Interest	3326					
Racing Commission Funds	3341					
Public Education Capital Outlay (PECO)	3391				9,470,636.00	
Classrooms First Program	3392					
School Infrastructure Thrift Program	3393					
Effort Index Grant	3394					
Smart Schools Small County Assistance Program	3395					
Class Size Reduction/Capital Funds	3396					
Charter School Capital Outlay Funding	3397					
Other Miscellaneous State Revenue	3399					
Total State Sources	3300	0.00	0.00	0.00	9,470,636.00	0.00
Taxes	3410					
District Local Capital Improvement Tax	3413					
Local Sales Tax	3418					
Interest on Investments	3431					
Gain on Sale of Investments	3432					
Net Increase (Decrease) in Fair Value of Investments	3433					
Gifts, Grants, and Bequests	3440					
Other Miscellaneous Local Sources	3495					
Impact Fees	3496					
Total Local Sources	3400	0.00	0.00	0.00	0.00	0.00
Total Revenues	3000	0.00	0.00	0.00	9,470,636.00	0.00
EXPENDITURES (Function 7400)						
Library Books	610				114,946.27	
Audio-Visual Materials (Non-consumable)	620				35,533.00	
Buildings and Fixed Equipment	630	5,967,271.35			8,152,345.60	
Furniture, Fixtures and Equipment	640				1,536,436.69	
Motor Vehicles (Including Buses)	650					
Land	660					
Improvements Other than Buildings	670				474,275.33	
Remodeling and Renovations	680				6,449,663.36	
Computer Software	690				14,451.35	
Debt Service (Function 9200)	710					
Redemption of Principal	720					
Interest	730					
Dues and Fees	790					
Miscellaneous Expenses						
Total Expenditures		5,967,271.35	0.00	0.00	16,777,651.60	0.00
Excess (Deficiency) of Revenues Over Expenditures		(5,967,271.35)	0.00	0.00	(7,307,015.60)	0.00

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2005

Exhibit K-6
 DOE Page 11

	Account Number	Capital Outlay and Debt Service Funds (360)	Capital Improvement Section 101.1.71(2) F.S. (370)	Voted Capital Improvement (380)	Other Capital Projects (390)	Totals
REVENUES						
Miscellaneous Federal Direct	3199					0.00
Miscellaneous Federal Through State	3299					0.00
CO&DS Distributed	3321	1,099,798.57				1,099,798.57
Interest on Undistributed CO&DS	3325	85,222.25				85,222.25
SBE/COBI Bond Interest	3326					0.00
Racing Commission Funds	3341					0.00
Public Education Capital Outlay (PECO)	3391					9,470,636.00
Classrooms First Program	3392					0.00
School Infrastructure Thrift Program	3393					0.00
Effort Index Grant	3394					0.00
Smart Schools Small County Assistance Program	3395					0.00
Class Size Reduction/Capital Funds	3396					0.00
Charter School Capital Outlay Funding	3397					0.00
Other Miscellaneous State Revenue	3399					0.00
Total State Sources	3300	1,185,020.82	0.00	0.00	0.00	10,655,656.82
Taxes	3410					0.00
District Local Capital Improvement Tax	3413		215,073,080.90			215,073,080.90
Local Sales Tax	3418				54,000,000.00	54,000,000.00
Interest on Investments	3431	33,432.43	4,385,080.54		7,747,827.89	12,166,340.86
Gain on Sale of Investments	3432	(772.01)	(135,910.68)		(20,772.75)	(157,455.44)
Net Increase (Decrease) in Fair Value of Investments	3433	5,549.64	311,355.08		906,946.51	1,223,851.23
Gifts, Grants, and Bequests	3440					0.00
Other Miscellaneous Local Sources	3495				3,045,022.29	3,045,022.29
Impact Fees	3496			0.00	22,800,000.00	22,800,000.00
Total Local Sources	3400	38,210.06	219,633,605.84	0.00	88,479,023.94	308,150,839.84
Total Revenues	3000	1,223,230.88	219,633,605.84	0.00	88,479,023.94	318,806,496.66
EXPENDITURES (Function 7400)						
Library Books	610		161,244.27		596,509.18	872,699.72
Audio Visual Materials (Non-consumable)	620		26,122.81		113,415.23	175,071.04
Buildings and Fixed Equipment	630	870,704.71	14,744,119.29		236,795,142.75	266,529,583.70
Furniture, Fixtures and Equipment	640		7,947,625.94		18,906,427.06	28,390,489.69
Motor Vehicles (Including Buses)	650		8,139,785.65		719,816.50	8,859,602.15
Land	660		286,098.50		6,992,126.52	7,278,225.02
Improvements Other than Buildings	670		3,840,621.47		1,769,904.62	6,084,801.42
Remodding and Renovations	680		36,548,051.55		4,595,783.72	47,593,498.63
Computer Software	690		4,376,640.65		6,274,951.60	10,666,043.60
Debt Service (Function 9200)						
Redemption of Principal	710				960,580.46	960,580.46
Interest	720				978,683.83	978,683.83
Dues and Fees	730				600,863.47	600,863.47
Miscellaneous Expenses	790					0.00
Total Expenditures		870,704.71	76,070,310.13	0.00	279,304,204.94	378,990,142.73
Excess (Deficiency) of Revenues Over Expenditures		352,526.17	143,563,295.71	0.00	(190,825,181.00)	(60,183,646.07)

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)

For the Fiscal Year Ended June 30, 2005

Exhibit K-6
 DOE Page 12

	Account Number	Capital Outlay Bond Issues (COBI) (310)	Special Act Bonds (Racetrack) (320)	Section 1011.14/1011.15 F.S. Loans (330)	Public Education Capital Outlay (PECO) (340)	District Bonds (350)
OTHER FINANCING SOURCES (USES)						
Sale of Bonds	3710					
Premium on Sale of Bonds	3791					
Proceeds of Refunding Bonds	3715					
Premium on Refunding Bonds	3792					
Loans	3720					
Sales of Capital Assets	3730					
Loss Recoveries	3740					
Proceeds of Certificates of Participation	3750					
Premium on Certificates of Participation	3793					
Proceeds of Forward Supply Contract	3760					
Proceeds from Special Facilities Construction Advance	3770					
Payments to Refunded Bond Escrow Agent (Function 9299)	760					
Discounts on Sale of Bonds (Function 9299)	891					
Discounts on Refunding Bonds (Function 9299)	892					
Discounts on Certificates of Participation (Function 9299)	893					
Transfers In:						
From General Fund	3610					
From Debt Service Funds	3620					
From Special Revenue Funds	3640					
Interfund	3650					
From Permanent Funds	3660					
From Internal Service Funds	3670					
From Enterprise Funds	3690					
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00
Transfers Out: (Function 9700)						
To General Fund	910				(1,000,000.00)	
To Debt Service Funds	920					
To Special Revenue Funds	940					
Interfund	950					
To Permanent Funds	960					
To Internal Service Funds	970					
To Enterprise Funds	990					
Total Transfers Out	9700	0.00	0.00	0.00	(1,000,000.00)	0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	(8,307,015.60)	0.00
Net Change in Fund Balances		(5,967,271.35)	0.00	0.00	15,653,053.25	
Fund Balances, July 1, 2004	2800	5,976,170.14				
Adjustments to Fund Balances	2891					
Fund Balances, June 30, 2005	2700	8,898.79			7,346,037.65	

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2005

Exhibit K-6
 DOE Page 13

	Account Number	Capital Outlay and Debt Service Funds (360)	Capital Improvement Section 1011.71(2) F.S. (370)	Voted Capital Improvement (380)	Other Capital Projects (390)	Totals
OTHER FINANCING SOURCES (USES)						
Sale of Bonds	3710					0.00
Premium on Sale of Bonds	3791					0.00
Proceeds of Refunding Bonds	3715					0.00
Premium on Refunding Bonds	3792					0.00
Loans	3720					0.00
Sales of Capital Assets	3730					0.00
Loss Recoveries	3740				3,553,172.10	3,553,172.10
Proceeds of Certificates of Participation	3750				38,505,000.00	38,505,000.00
Premium on Certificates of Participation	3793				958,920.80	958,920.80
Proceeds of Forward Supply Contract	3760					0.00
Proceeds from Special Facilities Construction Advance	3770					0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760					0.00
Discounts on Sale of Bonds (Function 9299)	891					0.00
Discounts on Refunding Bonds (Function 9299)	892					0.00
Discounts on Certificates of Participation (Function 9299)	893					0.00
Transfers In:						
From General Fund	3610					0.00
From Debt Service Funds	3620					0.00
From Special Revenue Funds	3640					0.00
Interfund	3650					0.00
From Permanent Funds	3660					0.00
From Internal Service Funds	3670					0.00
From Enterprise Funds	3690					0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00
Transfers Out: (Function 9700)						
To General Fund	910		(39,155,459.98)			(40,155,459.98)
To Debt Service Funds	920		(83,398,575.53)			(87,726,452.57)
To Special Revenue Funds	940				(4,327,877.04)	0.00
Interfund	950					0.00
To Permanent Funds	960					0.00
To Internal Service Funds	970					0.00
To Enterprise Funds	990					0.00
Total Transfers Out	9700	0.00	(122,554,035.51)	0.00	(4,327,877.04)	(127,881,912.55)
Total Other Financing Sources (Uses)		0.00	(122,554,035.51)	0.00	38,689,215.86	(84,864,819.65)
Net Change in Fund Balances		352,526.17	21,009,260.20	0.00	(152,135,965.14)	(145,048,465.72)
Fund Balances, July 1, 2004	2800	1,429,432.28	115,130,405.31		408,811,572.63	547,000,633.61
Adjustments to Fund Balances	2801					0.00
Fund Balances, June 30, 2005	2700	1,781,958.45	136,139,665.51		256,675,607.49	401,952,167.89

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - PERMANENT FUND
For the Fiscal Year Ended June 30, 2005

Exhibit K-7
DOE Page 14
FUND 000

	Account Number	
REVENUES		
Federal Direct	3100	
Federal Through State	3200	
State Sources	3300	
Local Sources	3400	
Total Revenues		0.00
EXPENDITURES		
Current:		
Instruction	5000	
Pupil Personnel Services	6100	
Instructional Media Services	6200	
Instruction and Curriculum Development Services	6300	
Instructional Staff Training Services	6400	
Board	7100	
General Administration	7200	
School Administration	7300	
Facilities Acquisition and Construction	7410	
Fiscal Services	7500	
Central Services	7700	
Pupil Transportation Services	7800	
Operation of Plant	7900	
Maintenance of Plant	8100	
Community Services	9100	
Debt Service: (Function 9200)		
Retirement of Principal	710	
Interest	720	
Capital Outlay:		
Facilities Acquisition and Construction	7420	
Other Capital Outlay	9300	
Total Expenditures		0.00
Excess (Deficiency) of Revenues Over Expenditures		0.00
OTHER FINANCING SOURCES (USES)		
Sales of Capital Assets	3730	
Loss Recoveries	3740	
Transfers In		
From General Fund	3610	
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
From Special Revenue Funds	3640	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	0.00
Transfers Out (Function 9700)		
To General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
To Special Revenue Funds	940	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		0.00
Net Change in Fund Balance		0.00
Fund Balance, July 1, 2004	2800	
Adjustments to Fund Balance	2891	
Fund Balance, June 30, 2005	2700	

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - ENTERPRISE FUNDS
 For the Fiscal Year Ended June 30, 2005

	Account Number	Self Insurance Consortium (911)	Self Insurance Consortium (912)	Self Insurance Consortium (913)	Self Insurance Consortium (914)	Self Insurance Consortium (915)	Other (921)	Other (922)	Totals
OPERATING REVENUES									
Charges for Services	3481								0.00
Charges for Sales	3482								0.00
Premium Revenue	3484								0.00
Other Operating Revenues	3489								0.00
Total Operating Revenues		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPERATING EXPENSES (Function 9900)									
Salaries	100								0.00
Employee Benefits	200								0.00
Purchased Services	300								0.00
Energy Services	400								0.00
Materials and Supplies	500								0.00
Capital Outlay	600								0.00
Other Expenses	700								0.00
Depreciation	780								0.00
Total Operating Expenses		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Income (Loss)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NONOPERATING REVENUES (EXPENSES)									
Interest on Investments	3431								0.00
Gain on Sale of Investments	3432								0.00
Net Increase (Decrease) in Fair Value of Investments	3433								0.00
Gifts, Grants and Bequests	3440								0.00
Loss Recoveries	3740								0.00
Gain on Disposition of Assets	3780								0.00
Interest Expense (Function 9900)	720								0.00
Miscellaneous Expense (Function 9900)	790								0.00
Loss on Disposition of Assets (Function 9900)	810								0.00
Total Nonoperating Revenues (Expenses)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income (Loss) Before Operating Transfers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers In:									
From General Fund	3610								0.00
From Debt Service Funds	3620								0.00
From Capital Projects Funds	3630								0.00
From Special Revenue Funds	3640								0.00
Interfund	3650								0.00
From Permanent Funds	3660								0.00
From Internal Service Funds	3670								0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers Out: (Function 9700)									
To General Fund	910								0.00
To Debt Service Funds	920								0.00
To Capital Projects Funds	930								0.00
To Special Revenue Funds	940								0.00
Interfund	950								0.00
To Permanent Funds	960								0.00
To Internal Service Funds	970								0.00
Total Transfers Out	9700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Net Assets		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Assets, July 1, 2004	2880								0.00
Adjustments to Net Assets	2896								0.00
Net Assets, June 30, 2005	2780								0.00

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2005

Exhibit K-9
 DOE Page 16

	Account Number	Maintenance Services (794)	Self Insurance (712)	Self Insurance (713)	Self Insurance (714)	Self Insurance (715)	Consortium Programs (731)	Other Internal Service (791)	Totals
OPERATING REVENUES									
Charges for Services	3481	25,926,497.63							25,926,497.63
Charges for Sales	3482								0.00
Premium Revenue	3484								0.00
Other Operating Revenue	3489								0.00
Total Operating Revenues		25,926,497.63	0.00	0.00	0.00	0.00	0.00	0.00	25,926,497.63
OPERATING EXPENSES (Function 9900)									
Salaries	100	19,585,903.51							19,585,903.51
Employee Benefits	200	6,245,775.30							6,245,775.30
Purchased Services	300	130,069.20							130,069.20
Energy Services	400								0.00
Materials and Supplies	500								0.00
Capital Outlay	600								0.00
Other Expenses	700								0.00
Depreciation	780								0.00
Total Operating Expenses		25,961,748.01	0.00	0.00	0.00	0.00	0.00	0.00	25,961,748.01
Operating Income (Loss)		(35,250.38)	0.00	0.00	0.00	0.00	0.00	0.00	(35,250.38)
NONOPERATING REVENUES (EXPENSES)									
Interest on Investments	3431	45,550.54							45,550.54
Gain on Sale of Investments	3432	(1,502.77)							(1,502.77)
Net Increase (Decrease) in Fair Value of Investments	3433	68.40							68.40
Gifts, Grants and Bequests	3440								0.00
Loss Recoveries	3740								0.00
Gain on Disposition of Assets	3780								0.00
Interest Expense (Function 9900)	720								0.00
Miscellaneous Expense (Function 9900)	790								0.00
Loss on Disposition of Assets (Function 9900)	810								0.00
Total Nonoperating Revenues (Expenses)		44,116.17	0.00	0.00	0.00	0.00	0.00	0.00	44,116.17
Income (Loss) Before Operating Transfers		8,865.79	0.00	0.00	0.00	0.00	0.00	0.00	8,865.79
Transfers In:									
From General Fund	3610								0.00
From Debt Service Funds	3620								0.00
From Capital Projects Funds	3630								0.00
From Special Revenue Funds	3640								0.00
Interfund	3650								0.00
From Permanent Funds	3660								0.00
From Enterprise Funds	3690								0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers Out: (Function 9700)									
To General Fund	910								0.00
To Debt Service Funds	920								0.00
To Capital Projects Funds	930								0.00
To Special Revenue Funds	940								0.00
Interfund	950								0.00
To Permanent Funds	960								0.00
To Enterprise Funds	990								0.00
Total Transfers Out	9700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Net Assets		8,865.79	0.00	0.00	0.00	0.00	0.00	0.00	8,865.79
Net Assets, July 1, 2004	2880	15,897.88							15,897.88
Adjustments to Net Assets	2896								0.00
Net Assets, June 30, 2005	2780	24,763.67							24,763.67

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 SCHOOL INTERNAL FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 June 30, 2005

Exhibit K-10
 DOE Page 17
 Fund 891

	Account Number	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS					
Cash	1110	12,258,223.40	60,748,975.51	60,865,706.07	12,141,492.84
Investments	1160				0.00
Accounts Receivable, Net	1130	481,606.84	778,134.15	481,606.84	778,134.15
Interest Receivable	1170				0.00
Due From Other Funds:					
Budgetary Funds	1141				0.00
Inventory	1150				0.00
Due from Other Agencies	1220				0.00
Total Assets		12,739,830.24	61,527,109.66	61,347,312.91	12,919,626.99
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				0.00
Payroll Deductions and Withholdings	2170				0.00
Accounts Payable	2120	117,286.16	25,805.03	117,286.16	25,805.03
Due to Budgetary Funds	2161	310,160.25	399,459.51	310,160.25	399,459.51
Due to Student Organizations	2290	12,312,383.83	61,101,845.12	60,919,866.50	12,494,362.45
Total Liabilities		12,739,830.24	61,527,109.66	61,347,312.91	12,919,626.99

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 SCHEDULE OF LONG-TERM LIABILITIES

June 30, 2005

Exhibit K-11
 DOE Page 18
 Fund 601

	Account Number	Governmental Activities Total Balance June 30, 2005 [1]	Business-type Activities Total Balance June 30, 2005 [1]	Total
Notes Payable	2310			0.00
Obligations Under Capital Leases	2315	901,782.31		901,782.31
Bonds Payable	2320	126,875,000.00		126,875,000.00
Liability for Compensated Absences	2330	146,805,286.03		146,805,286.03
Certificates of Participation Payable	2340	1,446,708,326.00		1,446,708,326.00
Estimated Liability for Long-term Claims	2350	43,902,878.93		43,902,878.93
Estimated PECO Advance Payable	2370			0.00
Other Long-term Liabilities	2380			0.00
Total Long-term Liabilities		1,765,193,273.27	0.00	1,765,193,273.27

[1] Include total current and noncurrent liability balances at June 30, 2005.

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**DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
SCHEDULE OF STATE CATEGORICAL PROGRAMS
REPORT OF FUNDS AVAILABLE AND EXPENDITURES**

For the Fiscal Year Ended June 30, 2005

Exhibit K-12
DOE Page 19

CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2004	Returned To DOE	Revenues 2004-05	Expenditures 2004-05	Flexibility [3] 2004-05	Balance June 30, 2005	
							Encumbered	Unencumbered
Class Size Reduction/Operating Funds (3355)	94740			67,962,364.00	67,962,364.00			
Class Size Reduction/Capital Funds (3396)	91050	42,596,719.00			10,573,713.47		16,271,201.08	15,751,804.45
Excellent Teaching (3363)	90570			2,797,569.60	2,797,569.60			
Florida Teacher Lead Program (3334)	97580	2,216.19		1,094,004.00	1,081,544.00			14,676.19
Instructional Materials (3336) [1]	90880			14,756,814.00	14,756,814.00			
Library Media (3336) [1]	90881	29,754.05		1,016,006.00	974,049.23		29,181.91	42,528.91
Preschool Projects (3372)	97950							
Public School Technology (3375)	90320			3,277,972.00	3,277,972.00			
Safe Schools (PEPP Earmark) [2]	90803			5,714,153.00	5,714,153.00			
Salary Bonus Outstanding Teachers in D and F Schools	94030							
School Recognition/Merit Schools (3361)	92040	1,192,611.16		8,820,466.00	8,788,363.63		41,124.37	1,183,589.16
Supplemental Academic Instruction (PEPP Earmark)	91280			33,592,078.00	33,592,078.00			
Teacher Recruitment and Retention (3362)	93460							
Teacher Training (3376)	91290			2,376,787.00	2,376,787.00			
Transportation (3354)	90830			27,930,560.00	27,930,560.00			

- [1] Report the Library Media portion of the Instructional Materials allocation under the line "Library Media."
- [2] Combine all programs funded from the Safe Schools allocation under one line "Safe Schools."
- [3] Report the amount of funds transferred from each program to maintain board-specified academic classroom instruction.

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DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
 For the Fiscal Year Ended June 30, 2005

Exhibit K-13
 DOE Page 20

	Sub-Object	General Fund	Special Revenue Fund - Food Services	Special Revenue Fund - Other
ENERGY EXPENDITURES:				
Natural Gas	410	379,280.61		
Bottled Gas	420	233,727.66		
Electricity	430	30,078,477.20	607,556.92	70,033.11
Heating Oil	440	16,589.90		
Total		30,708,075.37	607,556.92	70,033.11
ENERGY EXPENDITURES FOR PUPIL TRANSPORTATION:				
Gasoline	450	24,624.58		4,242.34
Diesel	460	3,546,014.66		192.60
Oil & Grease	540	59,184.28		112.70
Total		3,629,823.52		4,547.64

	Sub-Object	General Fund	Special Revenue Fund - Other	Capital Projects Funds
EXPENDITURES FOR SCHOOL BUS(ES) AND SCHOOL BUS REPLACEMENT(S):				
Bus(es)	651			7,751,672.31
EXPENDITURES FOR CAPITALIZED AUDIO VISUAL MATERIALS:				
Audio Visual Materials	621	3,249.00	34,671.46	

PLEASE REFER TO CAPOR REPORT FOR PAGES 21 & 22

PAGE 21: Exhibit K-14 Schedule 3, School Program Cost Report
General Fund/Special Revenue Funds

PAGE 22: Exhibit K-15 Schedule 4, District Aggregate Program Cost
Report, General Fund/Special Revenue Funds

**SCHEDULE 5
SUPPLEMENTARY SCHEDULE OF FINANCIAL
ASSISTANCE PROGRAM EXPENDITURES**

For the Fiscal Year Ended June 30, 2005

Grantor/Program	CFDA Number	Amount of Expenditures
A. FEDERAL DIRECT SOURCES		
Impact Aid	84.041	\$ 19,745.42
Twenty-first Century Community Learning Centers	84.287B	548,027.06
Community & Schools Accelerating Students	84.291A	2,894.16
Foreign Languages Assistance	84.293B	12,718.66
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	244,568.06
Total Federal Direct		\$ 827,953.36
B. FEDERAL THROUGH STATE		
<u>U.S. Department of Agriculture:</u>		
Food Donation	10.550	3,665,715.19
School Breakfast Program	10.553	5,320,829.23
National School Lunch Program (NSLP)	10.555	23,179,779.57
Summer Food Service Program for Children	10.559	666,115.04
<u>Department of Justice</u>		
Public Safety Partnership & Community Policing Grants	16.710	1,707,334.28
<u>Florida Department of Education:</u>		
Adult Education: State Grant Program	84.002	1,202,714.52
Title I Grants to Local Educational Agencies	84.010	26,471,823.62
Migrant Education: State Grant Program	84.011	2,105,404.95
Special Education: Grants to States	84.027	33,820,551.35
Vocational Education - Basic Grants to States	84.048	1,588,051.40
Special Education: Preschool Grants	84.173	1,431,414.03
Safe & Drug Free Schools & Communities: National Programs	84.184K	2,994,088.93
Title IV Community Service Grants	84.184C	57,592.14
District Comp Emergency Mngt. Prj.	84.184E	34,871.72
Safe & Drug Free Schools & Communities: State Grants	84.186	822,413.60
Education for Homeless Children & Youth	84.196	108,855.04
Even Start: State Educational Agencies	84.213	394,509.89
Fund for Improvement of Education	84.215	220,750.91
Tech-Prep Education	84.243	209,826.90
Charter Schools	84.282	2,885,959.15
Innovative Education Program Strategies	84.298	1,000,322.28
Technology Literacy Challenge Fund Grants	84.318X	1,436,447.64
Comprehensive School Reform Demonstration	84.332A	1,100,898.29
Reading First State Grants	84.357	2,275,453.85
Voluntary Public School Choice Mentor District	84.361A	213,316.02
Title III No Child Left Behind LEP/Immigrant	84.365A	2,583,674.98
Title II, Part A-Teacher & Principal Trng & Recruiting Fund	84.367	8,318,617.42
<u>U.S. Department of Health & Human Services</u>		
Refugee & Entrant Assistance: State Administered Programs	93.566	41.92
Refugee & Entrant Assistance: Discretionary Grant	93.576	696,458.58
Refugee & Entrant Assistance: Targeted Assistance	93.584	
Child Care Mandatory & Matching Funds of the Child Care & Dev Fund	93.596	-
<u>Commission on A/T/L & Community Services</u>		
Learn and Serve America: School & Community Based Programs	94.004	68,038.11
Total Federal Through State		\$ 126,581,870.55
C. OTHER FEDERAL ASSISTANCE		
Reserve Officers Training Corps (ROTC)	12.XXX	692,022.37
Total Other Federal Assistance		\$ 692,022.37
TOTAL EXPENDITURES		\$ 128,101,846.28