



The School District of Palm Beach County



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**



For Fiscal Year Ended June 30, 2006

3300 Forest Hill Boulevard
West Palm Beach, Florida



The School District of Palm Beach County



Debra Robinson, M.D.



Paulette Burdick



Mark Hansen



William G. Graham



Thomas E. Lynch



Monroe Benaim, M.D.



Sandra S. Richmond



Arthur C. Johnson, Ph.D.
Superintendent

Fiscal Year 2006
School Board Members

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The School District of Palm Beach County, Florida

for the

Fiscal Year Ended June 30, 2006



Issued by:

**Arthur C. Johnson, Ph.D., Superintendent of Schools
Joseph M. Moore, Chief Operating Officer**

Prepared by:

**Division of Financial Management
Martin V. Arroyo, Director of Accounting**

**The School District of Palm Beach County
3340 Forest Hill Boulevard
West Palm Beach, Florida 33406**



**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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Introductory Section



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

ACCOUNTING SERVICES
3366 Forest Hill Boulevard, A-323
West Palm Beach, Florida 33406-5870

(561) 434-8096 FAX: (561) 434-8569

ARTHUR C. JOHNSON, Ph.D
Superintendent

January 11, 2007

To the School Board Members and Residents of the
School District of Palm Beach County:

We respectfully submit the Comprehensive Annual Financial Report (CAFR) of the School District of Palm Beach County, Florida (the "District") for the fiscal year ended June 30, 2006. These financial statements are presented to conform to accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units and are audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

KPMG LLP, a firm of licensed certified public accountants, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2006, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2006, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

District school officials are responsible for providing a full range of educational programs to students in the District, thus these programs and support activities meet the criteria for inclusion in the reporting entity.

The District and its governing board (the "Board") were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered and supervised by District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of seven (7) elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The Superintendent is responsible for the administration and management of the schools within the applicable parameters of state laws, State Board of Education Rules and school board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts for the District by Section 1010.01, Florida Statutes as prescribed by the State Board of Education.

The CAFR contains the audited financial statements for all operations over which the District is financially accountable. District management has determined that the Palm Beach School Board Leasing Corporation, (the "Corporation") and Assumption of Operations of Charter Schools of Palm Beach County, Inc. ("Assumption") represent *blended* component units of the District. The Corporation's activities are reported with the operations of the District in the accompanying financial statements. The Corporation's sole purpose is to provide for financing and construction of certain District school facilities under the District's Certificates of Participation (COPS) program. Assumption is legally separate from the District and its financial activities are considered immaterial to the District and have not been blended. Assumption's sole purpose is to assume operations of certain charter schools, while legal or administrative procedures are followed. In addition, District management has determined that forty of the forty-four Charter Schools currently operating within the School District of Palm Beach County represent component units. These Charter Schools are *discretely presented* in the accompanying financial statements. As a result of the cease of operations of various charter schools and the continued operations of other charter schools under the administration of Assumption, District's management has excluded six of the Charter Schools that were reported as component units during prior years. Additional information on component units can be found in the notes to the financial statements.

The District is legally responsible for providing a full range of educational programs in Palm Beach County. These include Early Childhood, Kindergarten through 12th grade, Basic Regular and Enriched Programs, Exceptional Student Education, Vocational Education, Adult Education and specialized instruction, in areas such as English proficiency for speakers of other languages.

Covering 2,023 square miles (2,578 square miles including lakes), it is one of the largest counties east of the Mississippi River. To fully appreciate its size, consider that Palm Beach County is larger than both Rhode Island and Delaware. In the past decade, total population in the county has grown from 1.0 million to 1.3 million. Not only is the community growing in size, but also it is vastly diverse in both geographical aspects as well as population. The eastern portion of the county is a rich thriving urban area, while the western portion is primarily agricultural.

Palm Beach County is the 5th largest school district in Florida and the 11th largest in the nation with over 172,500 K-12 students, according to Dunn & Bradstreet. Approximately 270 new students entered Palm Beach County Schools during the 2006 fiscal year.

The demographics of our school district reflect our rich cultural diversity. For example, our students speak 135 languages and dialects – English being the second language for more than 23,000. The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriations budget approved by the Board. Activities of the General Fund, Special Revenue Funds, Debt Service and Capital Projects Funds are included in the annual appropriations budget. Although project length financial plans are adopted for the capital projects funds, the funding for the projects is contingent upon the annual budget adoption. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function within each school center, department, or project. Budgetary control is maintained at the function level by the encumbrance of estimated purchase commitments prior to the release of purchase orders to vendors. When commitments exceed established function balances, purchase orders are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at the end of the fiscal year. Budgetary control over salary expenditures is achieved through the position authorization process and by the encumbrance of salaries for positions already filled.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local economy

As the community grows and changes, efforts continue to build an economic base that is broad and diverse. This involves maintaining the existing economies built on agriculture, tourism and construction, but also to capitalize on new business opportunities in technology and the marine industry. Public-private partnerships, including the Business Development Board and the Workforce Development Board, are shaping strategies to attract and cultivate companies that will pay high wages for highly skilled jobs in targeted areas with growth potential, such as medical services and computer technology. The District has become an integral part of these efforts. Preparing students for productive employment is crucial to successful economic development. So is the ability to provide training on a continuous basis throughout a person's career in a dynamic economy.

Long-term financial planning

There are 165 public schools in Palm Beach County including three new schools that opened during the 2006 school year. In addition, four existing schools have been modernized or replaced.

Providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size and equity. When there is not enough room, such standards may be compromised. With that in mind, the Board has adopted an ambitious construction program that is financially sound. However, we still need longer-term revenue sources.

The District faces the challenges of growth, change and rising expectations in a highly charged political environment in which there is little consensus on fundamental policy questions concerning growth management and the funding of public services, including education.

School concurrency, which is the notion of ensuring adequate capacity to accommodate growth resulting from new residential development, has passed. The District is looking forward to working with the various communities as we grow together. There is no question that we need more space and improved student achievement.

Cash management policies and practices

Florida Statutes authorize the deposit of District school funds in demand or time deposits of financial institutions approved by the State Treasurer. All District public deposits are held in qualified public depositories. Also, the District receives interest on all collected balances in its demand accounts from the public depository acting as its banking agent. Cash management and investment activities are discussed in greater detail in the notes to the financial statements.

Risk management

The District is self-insured, within varying limits, for workers' compensation, general liability and automobile liability insurance programs. All premium revenue and claims expense are reported in the District's General Fund. The District participates in a fully insured health care program that has enabled the District to realize better premiums than the funding that would have been required had we been self-insured.

Risk control techniques have been established to reasonably assure that the District's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned or under the control of the District.

Pension and other post-employment benefits

The District participates in the Florida Retirement System, which is noncontributory by employees and is totally administered by the state. All employees hired after 1970 and those employed prior to 1970 that elected to be enrolled are covered by the system. For the fiscal year ended June 30, 2006, the District's contribution for employees was approximately \$69.7 million.

In addition to the retirement benefits described above, the District has authorized various 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 notes to the financial statements describe the District's retirement program and post retirement benefits in greater detail.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District of Palm Beach County for its CAFR for the fiscal year ended June 30, 2005.

This was the sixteenth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

The School District of Palm Beach County
January 11, 2007

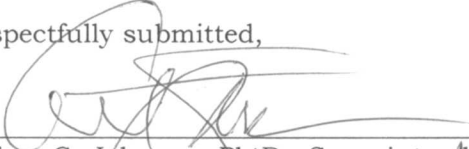
The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2005.

The Certificate of Excellence in Financial Reporting awarded by ASBO certifies that the CAFR substantially conforms to the accounting and reporting standards adopted by ASBO. The School District of Palm Beach County has received a Certificate of Excellence in Financial Reporting for the last nine consecutive years for which it was submitted.

The GFOA Certificate of Achievement and the ASBO Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the requirements of the Certificate of Achievement Program as well as the Certificate of Excellence Program. Accordingly, we are submitting it to both the GFOA and ASBO for consideration for another award.

The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Accounting Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

Respectfully submitted,



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



Joseph M. Moore, Chief Operating Officer



Michael J. Burke, Chief Financial Officer



Martin V. Arroyo, Director of Accounting



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

Certificate of Achievement for Excellence in Financial Reporting

Presented to
The School District
of Palm Beach County,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Fudge

President

Jeffrey R. Emer

Executive Director



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2005

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

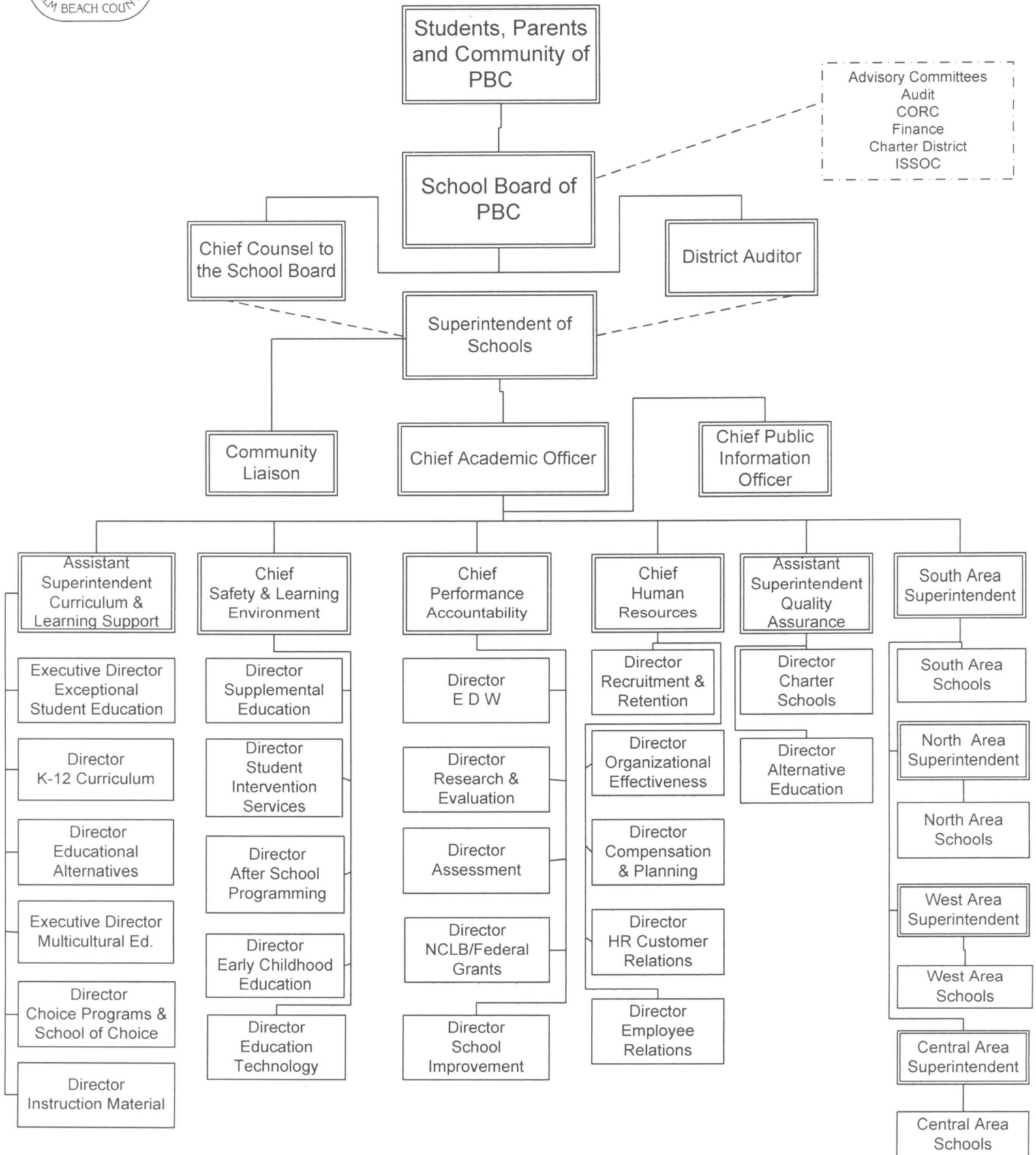
President

Executive Director



The School District of Palm Beach County

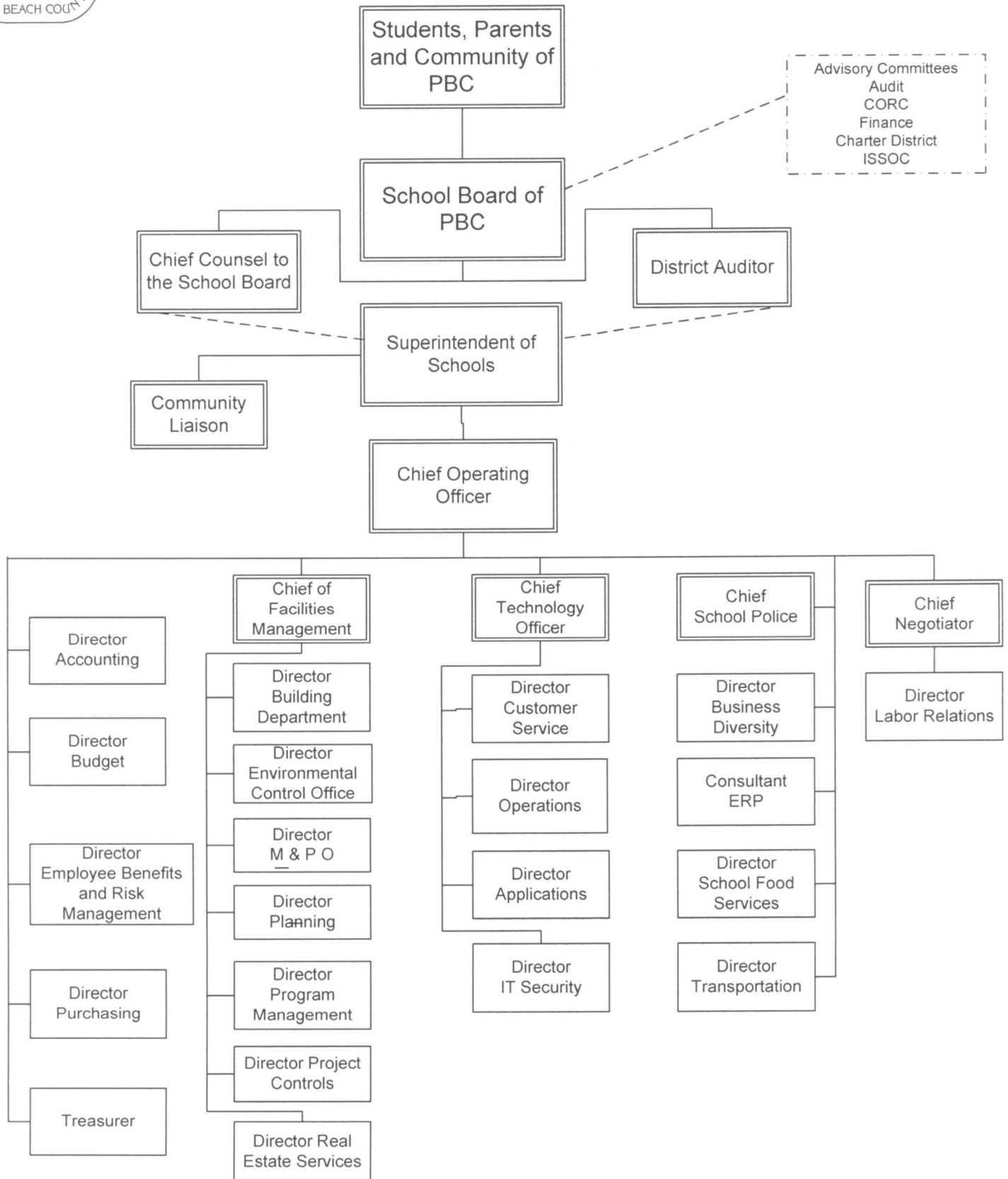
Organizational Alignment for FY 2006





The School District of Palm Beach County

Organizational Alignment for FY 2006





THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

PRINCIPAL OFFICIALS - NON-PARTISAN ELECTED

BOARD MEMBERS - TERMS OF OFFICE

Dr. Monroe Benaim, M.D. Member from District 1 Present term expires	November 2008
Mrs. Paulette Burdick Member from District 2 Present term expires	November 2008
Mr. William Graham, Vice Chair Member from District 3 Present term expires	November 2006
Mr. Thomas E. Lynch, Chair Member from District 4 Present term expires	November 2006
Mr. Mark Hansen Member from District 5 Present term expires	November 2008
Dr. Sandra S. Richmond Member from District 6 Present term expires	November 2006
Dr. Debra L. Robinson, M.D. Member from District 7 Present term expires	November 2006



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PRINCIPAL OFFICIALS
JUNE 30, 2006**

Arthur C. Johnson, Ph.D.	Superintendent
Joseph M. Moore	Chief Operating Officer
Ann E. Killets	Chief Academic Officer
E. Wayne Gent	Assistant Superintendent Curriculum & Learning Support
Gerald A. Williams	Chief Counsel
Carole Shetler	South Area Superintendent
Rodney Montgomery	Central Area Superintendent
Dr. Janis N. Andrews	West Area Superintendent
Marisol L. Ferrer	North Area Superintendent
Dr. Alison Adler	Chief Safety and Learning Environment
Dr. Janice Cover	Assistant Superintendent for Quality Assurance
r. Marc B. Baron	Chief of Performance Accountability
Darron Davis	Chief Officer of Human Resources
Joseph M. Sanches	Chief of Facilities Management
Linda Mainord	Chief Technology Officer





Financial Section



KPMG LLP
450 East Las Olas Boulevard
Fort Lauderdale, FL 33301

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School District of Palm Beach County, Florida (the School District), as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2006, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2007 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



The management's discussion and analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual fund statements and schedules, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the introductory section, other supplementary information, and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

January 11, 2007
Certified Public Accountants

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

"Unaudited"

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, 2006, 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 required 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" (GASB 34).

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 \$222.8 million or 16.1%, from approximately \$1.4 billion as of June 30, 2005, to approximately \$1.6 billion as of June 30, 2006. The increase in total net assets reflects increases in capital assets of \$345.0 million, offset by increases in current and long-term liabilities of \$154.7 million.
- General revenue accounted for approximately \$1.6 billion, or 86.0% of all revenues, an increase of \$207.3 million or 14.5% when compared to the prior year. This increase is primarily attributable to an increase in property taxes which increased by \$111.8 million or 12.3%, and local sales tax revenue which increased by \$66.5 million or 123.1%. Program specific revenue in the form of charges for services, grants and contributions accounted for \$266.8 million, or 14.0% of revenue totaling \$1.9 billion.
- The District had approximately \$1.7 billion in expenses related to programs, an increase of \$150.1 million or 9.8%, which was offset by \$266.8 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 \$653.0 million. The General Fund (the primary operating fund), reflected on a current financial resources basis, ended the year with a fund balance of \$96.8 million. Of this amount, \$32.7 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 \$3.2 million.
- In governmental funds, for the fiscal year ended June 30, 2006, revenues increased by \$221.6 million or 13.4%, to \$1.9 billion from \$1.7 billion, while current expenditures increased \$106.5 million or 8.0%, to \$1.4 billion from \$1.3 billion. The increase in revenue is primarily due to an increase in property tax revenue and local sales tax revenue. The largest dollar increase of \$67.1 million or 8.6% in expenditures is attributable to instruction which accounted for 59.3% of total expenditures.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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	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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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.
- *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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net assets were approximately \$1.6 billion at June 30, 2006. The largest portion of the District's net assets, approximately \$1.4 billion or 87.7 % 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 (\$317.2 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 \$153.1 million in obligations/liabilities against the Statement of Net Assets balance, which caused a shortfall of unrestricted net assets. The same situation holds true for the prior fiscal year.

Capital assets (net) increase of \$345.0 million or 13.7% over prior year, primarily reflects the completion of three (3) new schools and modernization/replacement of four (4) existing schools.

The analysis on pages 6 and 7 focuses on the Summary of Net Assets (Table 1) and Summary of Changes in Net Assets (Table 2) of the District's governmental activities.

	2006	2005	Increase (Decrease)	Percentage Change
Current and other assets	\$ 1,133,593	\$ 1,101,060	\$ 32,533	3.0%
Capital assets (net)	2,855,309	2,510,281	345,028	13.7%
Total assets	3,988,902	3,611,341	377,561	10.5%
Current and other liabilities	491,273	445,859	45,414	10.2%
Long-term liabilities	1,887,566	1,778,263	109,303	6.1%
Total liabilities	2,378,839	2,224,122	154,717	7.0%
Net assets:				
Invested in capital assets, net of related debt	1,412,258	1,046,339	365,919	35.0%
Restricted	317,225	439,242	(122,017)	-27.8%
Unrestricted	(119,420)	(98,362)	(21,058)	21.4%
Total net assets	\$ 1,610,063	\$ 1,387,219	\$ 222,844	16.1%

The results of this year's operations for the District as a whole are reported in the Statement of Activities. Table 2, on page 7, 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 2005.

As reported in the Statement of Activities, the cost of all governmental activities was approximately \$1.7 billion. The amount that the taxpayers ultimately financed for these activities through District taxes was approximately \$1.4 billion, due to some of the cost being paid by those who benefited from the programs (\$45.9 million) or by

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

other governments and organizations who subsidized certain programs with grants and contributions (\$220.9 million).

The District paid for the remaining "public benefit" portion of the governmental activities with approximately \$1.0 billion in property taxes, \$120.5 million in local sales taxes, \$410.6 million in grants and contributions not restricted to specific programs, \$39.8 million in investment earnings and \$48.4 million with other general revenue.

	2006	2005	Increase (Decrease)	Percentage Change
Revenue:				
Program revenue:				
Charges for services	\$ 45,930	\$ 42,254	\$ 3,676	8.7%
Operating grants and contributions	171,829	137,305	34,524	25.1%
Capital grants and contributions	49,026	61,456	(12,430)	-20.2%
General revenue:				
Property taxes	1,018,636	906,799	111,837	12.3%
Local sales taxes	120,466	54,000	66,466	123.1%
Grants and contributions not restricted	410,636	421,907	(11,271)	-2.7%
Investment earnings	39,849	22,117	17,732	80.2%
Other general revenue	48,396	25,881	22,515	87.0%
Total revenue	<u>1,904,768</u>	<u>1,671,719</u>	<u>233,049</u>	<u>13.9%</u>
Functions/Programs Expenses				
Instruction	854,689	785,824	68,865	8.8%
Instructional support services	158,704	146,909	11,795	8.0%
Board	5,309	4,202	1,107	26.3%
General administration	9,400	8,777	623	7.1%
School administration	90,685	87,776	2,909	3.3%
Facilities acquisition and construction	85,528	41,988	43,540	103.7%
Fiscal services	4,264	4,479	(215)	-4.8%
Food services	57,339	55,939	1,400	2.5%
Central services	12,675	21,299	(8,624)	-40.5%
Pupil transportation services	45,420	41,167	4,253	10.3%
Operation and maintenance of plant	167,554	155,159	12,395	8.0%
Administrative technology services	5,228	-	5,228	-
Community services	25,328	23,180	2,148	9.3%
Interest on long-term debt	76,875	76,796	79	0.1%
Depreciation/amortization expense	82,926	78,328	4,598	5.9%
Total expenses	<u>1,681,924</u>	<u>1,531,823</u>	<u>150,101</u>	<u>9.8%</u>
Increase in net assets	<u>\$ 222,844</u>	<u>\$ 139,896</u>	<u>\$ 82,948</u>	<u>59.3%</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

The increase in operating grants and contributions of \$34.5 million or 25.1% is primarily attributable to an increase in class size reduction revenue, while a decrease in capital grants and contributions resulted from a reduction in loss recoveries from hurricane-related expenditures. An increase in property tax revenue is due to an increase in property values. Local sales tax revenue totaled \$120.5 million which is a 123.1% increase over the prior year. This increase reflects the receipt of local sales tax revenue for the entire year when compared to the prior year in which the receipt of revenue began in January 2005. Investment earnings, fueled by an increase in interest rates, rose by \$17.7 million or 80.2%.

Facilities acquisition and construction expenditures increased by \$43.5 million, or 103.7%, which reflects the District's strategy to continue with its planned construction projects now that the necessary funding from local sales tax revenue was available.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of June 30, 2006, the District's governmental funds reported a combined fund balance of \$653.0 million, which is a decrease of \$17.1 million or 2.6% from the prior year. This decrease was primarily attributable to net reductions in fund balances of \$66.3 million in the COPS Debt Service Fund and \$74.2 million in the Sales Tax Fund.

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 \$96.8 million at June 30, 2006. The fund balance of the District's General Fund increased by \$3.2 million and unreserved, undesignated fund balance of the General Fund was \$32.7 million at the end of the year.

The COPS 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 \$94.9 million. During the year, payments to refunded debt escrow agent associated with the defeasance of debt amounted to \$77.2 million.

The COPS Capital Projects Fund, one of the District's major funds, reported an ending fund balance of \$267.3 million which is an increase of \$123.8 million or 86.2% over the prior year. This is largely due to proceeds from the issuance of \$222.0 million in Certificate of Participation Series (COPS) 2006A which was offset by capital outlay expenditures of \$108.7 million. In the Capital Improvement Fund, another major fund, property tax revenue increased by \$36.3 million or 16.9%, from \$215.0 million in fiscal year 2005, to \$251.4 million in fiscal year 2006. This increase was attributable to higher property values.

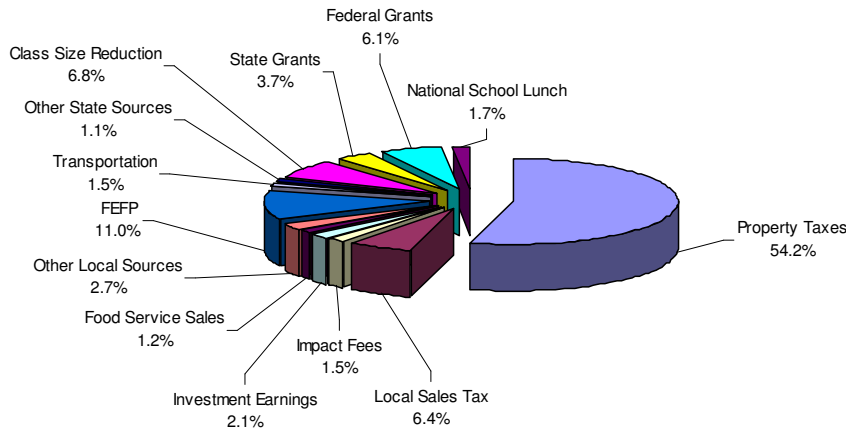
In the Sales Tax Fund, commercial paper notes of \$250.0 million issued to finance the cost of acquisition, construction, and modernization/replacement of public school facilities, were outstanding at the end of the year. A negative fund balance of \$47.7 million largely reflects capital outlay expenditures of \$195.3 million offset against revenues of \$129.5 million. Other Capital Projects Fund and Other Non-Major Governmental Funds ended the fiscal year with fund balances of \$57.1 million and \$54.5 million respectively.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

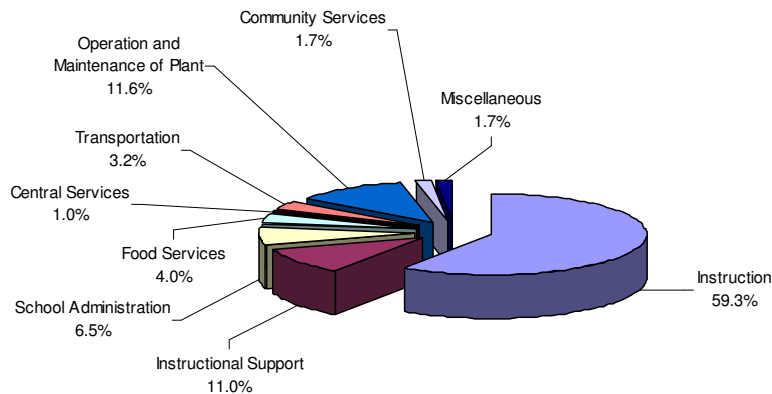
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The pie charts below represent total governmental funds revenue by type and total expenditures by function.

**Total Governmental Funds
Revenue by Type**



**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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

There were revisions made to the 2005-2006 general fund original budget. State revenue was decreased \$29.6 million, as a result of actual student enrollment less than projected by 6,416 students. Revenue from interest income exceeded the original budget by \$2.3 million due to rising interest rates. Local revenue from real estate taxes was \$11.2 million greater than original budget. Also, local revenue from the fee-based school age child care program was \$ 1.7 million higher than the original projection. Other program fee and miscellaneous local revenue accounted for a \$1.9 million increase over the adopted budget. Miscellaneous Federal revenues increased by \$0.8 million over the course of the fiscal year.

Other financing sources increased \$14.9 million from original to final budget in 2005-06. This includes a \$4.7 million increase to the capital maintenance transfer and \$6.6 million in FEMA reimbursement. These two sources have been applied to hurricane expenditures related to recovery efforts from Hurricane Wilma. Initially, these hurricane expenditures were funded through the Board Contingency Reserve. The remaining \$3.6 million in other financing sources reflects insurance loss recoveries from workers compensation claims. Overall, budgeted revenue ended the year \$3.2 million higher than original budget.

Net budgeted expenditures increased \$1.3 million from the original budget to the final amended budget. Amendments were needed to account for the reduction in student enrollment and related staffing, 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 3, at June 30, 2006, the District had approximately \$2.9 billion invested in a broad range of capital assets, including land, construction in progress, improvements other than buildings, buildings and improvements, furniture, fixtures and equipment, motor vehicles, audio/video materials and software. This amount represents a net increase (including additions, deletions and depreciation) of \$345.0 million from last year.

Table 3				
Capital Assets at Year-End				
(in thousands)				
		2006	2005	Increase (Decrease)
Land	\$	276,525	\$ 237,376	\$ 39,149
Construction in progress		443,461	376,846	66,615
Improvements other than buildings		11,922	8,724	3,198
Buildings and improvements		2,547,162	2,283,376	263,786
Furniture, fixtures and equipment		171,229	185,957	(14,728)
Motor vehicles		81,127	74,482	6,645
Property under capital leases		-	2,879	(2,879)
Audio/video materials and software		41,260	43,423	(2,163)
Less: accumulated depreciation		(717,377)	(702,782)	(14,595)
Total capital assets, net	\$	2,855,309	\$ 2,510,281	\$ 345,028

This year's net increase of \$345.0 million includes the construction of three (3) new schools, which opened in fiscal year 2006 and four (4) completed modernization projects.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Major capital additions included the completion of the following schools:

- Hidden Oaks Elementary
- L.C. Swain Middle
- Seminole Ridge High

Completed modernized schools included the following:

- Palm Beach Public Elementary
- S.D. Spady Elementary
- Bak Middle School of the Arts
- Atlantic High School

It is anticipated that capital additions will continue due to the District's commitment to reducing student overcrowding. Note 6 to Financial Statements provide additional information on capital assets.

Long-Term Debt

As shown in Table 4 below, at the end of this year the District had approximately \$1.7 billion in debt outstanding compared to approximately \$1.6 billion last year, which represents an increase of \$102.3 million. The key factor contributing to this increase was the issuance of COPS 2006A for \$222.0 million offset by defeasance of COPS Series 1995A.

Table 4				
Long-term Debt Outstanding at Year-End				
(in thousands)				
		2006	2005	Increase (Decrease)
Capital outlay bond issues	\$	42,380	\$ 47,320	\$ (4,940)
General obligation debt		54,275	79,555	(25,280)
Capital lease		-	901	(901)
Certificates of participation		1,565,373	1,446,708	118,665
Plus: Issuance premiums		50,854	36,162	14,692
Less: Deferred amounts		(23,069)	(23,094)	25
Total	\$	1,689,813	\$ 1,587,552	\$ 102,261

The District's general obligation debt and certificates of participation are rated Aa3 and A1 by Moody's Investors Service, 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, 2006, the statutory limit for the District was approximately \$13.1 billion, providing additional debt capacity of approximately \$13.0 billion.

Other long-term obligations include the liability for compensated absences and estimated claims liability. See Note 9 of the Notes to the Financial Statements for more information on long-term debt.

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 SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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.

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 2006-2007 is \$6.8 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 \$410.8 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 2006-2007 Florida Lottery will be used to finance the following general fund K-12 appropriations: District Discretionary Lottery Funds, \$129.3 million and School Recognition Funds, \$134.2 million.

In addition, funds are appropriated to meet other needs by means of categorical programs and special allocations. These include Class Size Reduction, approximately \$1.5 billion, Instructional Materials Program, \$248.0 million, Student Transportation, \$451.4 million, Public School Technology, \$49.9 million, Teacher Training, \$18.0 million, Teacher Lead Program, \$17.9 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 \$7.4 billion as required local effort for 2006-2007. 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:

Michael J. Burke, Chief Financial Officer
The School District of Palm Beach County, Florida
3328 Forest Hill Boulevard, Suite A-306
West Palm Beach, FL 33406.

BASIC FINANCIAL STATEMENTS





THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF NET ASSETS
JUNE 30, 2006
(amounts expressed in thousands)

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash, cash equivalents and investments	\$ 1,000,042	\$ 9,142
Taxes receivable	23,953	-
Accounts and interest receivable	904	1,194
Due from other agencies	75,292	129
Inventories	15,725	-
Restricted assets (cash with fiscal agent)	1,116	-
Other assets	16,561	668
Capital assets:		
Land	276,525	-
Construction in progress	443,461	-
Improvements other than buildings	11,922	1,294
Buildings and improvements	2,547,162	5,102
Furniture, fixtures and equipment	171,229	3,177
Motor vehicles	81,127	106
Audio/video materials and software	41,260	374
Less accumulated depreciation	(717,377)	(1,533)
Total capital assets, net of depreciation	<u>2,855,309</u>	<u>8,520</u>
TOTAL ASSETS	<u>3,988,902</u>	<u>19,653</u>
LIABILITIES		
Accounts and contracts payable	82,144	2,072
Accrued payroll and payroll deductions	47,727	360
Due to other agencies	357	-
Due to fiscal agent	170	-
Retainage payable on contracts	20,816	-
Tax anticipation notes payable	55,000	-
Commercial paper notes payable	250,000	-
Deposits payable	372	-
Interest payable	31,772	-
Unearned revenue	2,915	131
Noncurrent liabilities:		
Portion due or payable within one year:		
Notes payable	-	634
Bonds payable	30,310	-
Obligations under capital leases	-	24
Liability for compensated absences	12,368	174
Certificates of participation payable	37,605	-
Estimated claims and post retirement benefits	10,892	-
Portion due or payable after one year:		
Notes payable	-	7,432
Bonds payable	67,487	-
Obligations under capital leases	-	-
Liability for compensated absences	140,720	-
Certificates of participation payable	1,554,411	-
Estimated claims and post retirement benefits	33,773	-
TOTAL LIABILITIES	<u>2,378,839</u>	<u>10,827</u>
NET ASSETS		
Invested in capital assets, net of related debt	1,412,258	2,380
Restricted for:		
Categorical carryover programs	16,244	-
Debt service	105,814	-
Capital projects	155,767	1,353
Other purposes	39,400	178
Unrestricted (deficit)	<u>(119,420)</u>	<u>4,915</u>
TOTAL NET ASSETS	<u>\$ 1,610,063</u>	<u>\$ 8,826</u>

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Instruction	\$ 854,689	\$ 1,477	\$ 103,667	\$ -
Instructional support services	158,704	-	-	-
Board	5,309	-	-	-
General administration	9,400	-	-	-
School administration	90,685	-	-	-
Facilities acquisition and construction	85,528	-	-	43,165
Fiscal services	4,264	-	-	-
Food services	57,339	23,449	33,170	-
Central services	12,675	-	-	-
Pupil transportation services	45,420	1,619	27,128	-
Operation of plant	123,876	-	-	-
Maintenance of plant	43,678	-	-	-
Administrative technology services	5,228	-	-	-
Community services	25,328	19,385	7,864	-
Interest on long-term debt	76,875	-	-	5,861
Depreciation expense	81,467	-	-	-
Amortization expense	1,459	-	-	-
Total primary government governmental activities	<u>1,681,924</u>	<u>45,930</u>	<u>171,829</u>	<u>49,026</u>
Component Units:				
Charter schools	<u>\$ 47,386</u>	<u>\$ 408</u>	<u>\$ 4,644</u>	<u>\$ 1,194</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital projects

Local sales taxes

Grants and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net Assets—beginning, as previously reported

Adjustments for effect of change in reporting entity

Net Assets—beginning, as adjusted

Net Assets—ending

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

**Net (Expense) Revenue
and Changes in Net Assets**

Primary	
Government	
Governmental Activities	Component Units
\$ (749,545)	\$ -
(158,704)	-
(5,309)	-
(9,400)	-
(90,685)	-
(42,363)	-
(4,264)	-
(720)	-
(12,675)	-
(16,673)	-
(123,876)	-
(43,678)	-
(5,228)	-
1,921	-
(71,014)	-
(81,467)	-
(1,459)	-
<u>(1,415,139)</u>	<u>-</u>
<u>-</u>	<u>(41,140)</u>
739,700	-
27,862	-
251,074	-
120,466	-
410,636	39,697
39,849	(119)
48,396	3,880
<u>1,637,983</u>	<u>43,458</u>
<u>222,844</u>	<u>2,318</u>
<u>1,387,219</u>	<u>8,890</u>
-	(2,382)
<u>1,387,219</u>	<u>6,508</u>
<u>\$ 1,610,063</u>	<u>\$ 8,826</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006
(amounts expressed in thousands)

	<u>GENERAL FUND</u>	<u>COPS DEBT SERVICE</u>	<u>CAPITAL IMPROVEMENT</u>
ASSETS			
Cash, cash equivalents and investments	\$ 163,421	\$ 95,037	\$ 148,054
Taxes receivable	17,387	-	5,910
Accounts and interest receivable	8	-	-
Due from other agencies	6,436	-	-
Due from other funds	17,000	-	-
Other assets	340	-	1,073
Inventories	14,041	-	-
TOTAL ASSETS	<u>218,633</u>	<u>95,037</u>	<u>155,037</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts and contracts payable	16,694	-	22,471
Accrued payroll and payroll deductions	47,727	-	-
Due to other funds	-	-	-
Due to other agencies	10	3	-
Due to fiscal agent	-	170	-
Retainage payable on contracts	-	-	2,377
Tax anticipation notes payable	55,000	-	-
Commercial paper payable	-	-	-
Deposits payable	240	-	-
Interest payable	1,528	-	-
Unearned revenue	629	-	-
TOTAL LIABILITIES	<u>121,828</u>	<u>173</u>	<u>24,848</u>
FUND BALANCES (DEFICITS)			
Fund balances reserved:			
Reserved for encumbrances	8,670	-	44,023
Reserved for inventory	14,041	-	-
Reserved for categorical carryover programs	2,005	-	-
Reserved for debt service	-	94,864	-
Fund balances (deficits) unreserved:			
General Fund - designated for board contingency	39,400	-	-
Capital Project Funds - designated for capital projects	-	-	86,166
Undesignated (deficits), reported in:			
General Fund	32,689	-	-
Capital Project Funds	-	-	-
Special Revenue Funds	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>96,805</u>	<u>94,864</u>	<u>130,189</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 218,633</u>	<u>\$ 95,037</u>	<u>\$ 155,037</u>

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

COPS	SALES TAX	OTHER CAPITAL PROJECTS	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 287,539	\$ 209,118	\$ 47,181	\$ 50,771	\$ 1,001,121
-	-	-	656	23,953
-	-	-	896	904
-	19,977	25,345	23,534	75,292
-	-	-	-	17,000
-	-	-	-	1,413
-	-	-	1,684	15,725
<u>287,539</u>	<u>229,095</u>	<u>72,526</u>	<u>77,541</u>	<u>1,135,408</u>
12,568	16,667	10,443	3,289	82,132
-	-	-	-	47,727
-	-	-	17,000	17,000
-	-	-	344	357
-	-	-	-	170
7,681	9,035	1,723	-	20,816
-	-	-	-	55,000
-	250,000	-	-	250,000
-	-	-	132	372
-	1,080	-	-	2,608
-	-	3,282	2,286	6,197
<u>20,249</u>	<u>276,782</u>	<u>15,448</u>	<u>23,051</u>	<u>482,379</u>
59,721	74,925	27,854	7,065	222,258
-	-	-	1,684	15,725
-	-	14,239	-	16,244
-	-	-	34,867	129,731
-	-	-	-	39,400
207,569	-	14,985	-	308,720
-	-	-	-	32,689
-	(122,612)	-	(3,132)	(125,744)
-	-	-	14,006	14,006
<u>267,290</u>	<u>(47,687)</u>	<u>57,078</u>	<u>54,490</u>	<u>653,029</u>
<u>\$ 287,539</u>	<u>\$ 229,095</u>	<u>\$ 72,526</u>	<u>\$ 77,541</u>	<u>\$ 1,135,408</u>



**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2006
(amounts expressed in thousands)**

Total Fund Balances - Governmental Funds \$ 653,029

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 in the governmental funds.

Cost of the assets	3,572,686	
Accumulated depreciation	<u>(717,377)</u>	2,855,309

Debt issuance charges are reported as expenditures in the governmental funds when first incurred, however, they are included as deferred charges in the governmental activities in the statement of net assets. 15,148

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. 25

Revenues that have been deferred or unearned in the governmental funds but are recognized as revenue in the governmental-wide financial statements. 3,282

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

Bonds payable	97,797	
Compensated absences	153,088	
Certificates of Participation payable	1,592,016	
Long-term claims payable	44,665	
Accrued interest on long-term debt	<u>29,164</u>	<u>(1,916,730)</u>

Total Net Assets - Governmental Activities \$ 1,610,063

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	<u>GENERAL FUND</u>	<u>COPS DEBT SERVICE</u>	<u>CAPITAL IMPROVEMENT</u>
REVENUES:			
Local sources:			
Ad valorem taxes	\$ 739,365	\$ -	\$ 251,364
Sales tax	-	-	-
Impact fees	-	-	-
Interest income and other	11,355	1,636	9,663
School age child care fees	18,763	-	-
Food service sales	-	-	-
Local grants and other	19,844	-	-
Total local sources	<u>789,327</u>	<u>1,636</u>	<u>261,027</u>
State sources:			
Florida education finance program	206,887	-	-
Capital outlay and debt service	107	-	-
Food service	-	-	-
Transportation	27,128	-	-
Public education capital outlay	-	-	-
Effort index	-	-	-
Class size reduction	103,667	-	-
State grants and entitlements	66,007	-	-
Total state sources	<u>403,796</u>	<u>-</u>	<u>-</u>
Federal sources:			
Federal grants and entitlements	4,729	-	-
National school lunch act	-	-	-
Total federal sources	<u>4,729</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>1,197,852</u>	<u>1,636</u>	<u>261,027</u>
EXPENDITURES:			
Current:			
Instruction	797,054	-	-
Instructional support services	103,040	-	-
Board	4,809	-	-
General administration	6,858	-	-
School administration	91,588	-	-
Facilities acquisition and construction	518	-	-
Fiscal services	4,371	-	-
Food services	-	-	-
Central services	13,442	-	-
Pupil transportation services	43,961	-	-
Operation of plant	120,962	-	-
Maintenance of plant	43,223	-	-
Administrative technology services	5,216	-	-
Community services	20,876	-	-
Total Current Expenditures	<u>1,255,918</u>	<u>-</u>	<u>-</u>

<u>COPS</u>	<u>SALES TAX</u>	<u>OTHER CAPITAL PROJECTS</u>	<u>OTHER NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ -	\$ -	\$ -	\$ 27,904	\$ 1,018,633
-	120,466	-	-	120,466
-	-	28,063	-	28,063
5,177	9,000	1,472	1,449	39,752
-	-	-	-	18,763
-	-	-	23,056	23,056
580	-	1,752	9,710	31,886
<u>5,757</u>	<u>129,466</u>	<u>31,287</u>	<u>62,119</u>	<u>1,280,619</u>
-	-	-	-	206,887
-	-	-	7,003	7,110
-	-	-	869	869
-	-	-	-	27,128
-	-	-	12,608	12,608
-	-	491	-	491
-	-	23,441	-	127,108
-	-	-	3,797	69,804
<u>-</u>	<u>-</u>	<u>23,932</u>	<u>24,277</u>	<u>452,005</u>
-	-	-	108,885	113,614
-	-	-	32,311	32,311
<u>-</u>	<u>-</u>	<u>-</u>	<u>141,196</u>	<u>145,925</u>
<u>5,757</u>	<u>129,466</u>	<u>55,219</u>	<u>227,592</u>	<u>1,878,549</u>
-	-	-	51,970	849,024
-	-	-	55,027	158,067
-	-	-	-	4,809
-	-	-	2,802	9,660
-	-	-	788	92,376
-	-	-	224	742
-	-	-	98	4,469
-	-	-	57,064	57,064
-	-	-	386	13,828
-	-	-	1,240	45,201
-	-	-	1,949	122,911
-	-	-	38	43,261
-	-	-	-	5,216
-	-	-	3,509	24,385
<u>-</u>	<u>-</u>	<u>-</u>	<u>175,095</u>	<u>1,431,013</u>

(Continued)

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	<u>GENERAL FUND</u>	<u>COPS DEBT SERVICE</u>	<u>CAPITAL IMPROVEMENT</u>
Capital outlay	1,153	-	126,925
Debt service:			
Retirement of principal	-	29,060	-
Interest	1,358	62,544	36
Fiscal charges	-	1,492	-
TOTAL EXPENDITURES	<u>1,258,429</u>	<u>93,096</u>	<u>126,961</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,577)</u>	<u>(91,460)</u>	<u>134,066</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	43,705	101,720	-
Transfers out	-	-	(140,017)
Issuance of long-term and refunded debt	-	-	-
Net premium (discount) from issuance of long-term and refunded debt	9,811	678	-
Payments to refunded debt escrow agent	-	(77,204)	-
Proceeds of loss recoveries	10,228	-	-
Sale of capital assets and other	3	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>63,747</u>	<u>25,194</u>	<u>(140,017)</u>
NET CHANGE IN FUND BALANCES	3,170	(66,266)	(5,951)
FUND BALANCES, JULY 1, 2005	<u>93,635</u>	<u>161,130</u>	<u>136,140</u>
FUND BALANCES (DEFICIT), JUNE 30, 2006	<u>\$ 96,805</u>	<u>\$ 94,864</u>	<u>\$ 130,189</u>

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

<u>COPS</u>	<u>SALES TAX</u>	<u>OTHER CAPITAL PROJECTS</u>	<u>OTHER NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
108,702	195,301	65,050	18,224	515,355
-	-	901	28,900	58,861
-	7,495	11	4,538	75,982
2,045	839	1	560	4,937
<u>110,747</u>	<u>203,635</u>	<u>65,963</u>	<u>227,317</u>	<u>2,086,148</u>
<u>(104,990)</u>	<u>(74,169)</u>	<u>(10,744)</u>	<u>275</u>	<u>(207,599)</u>
-	-	-	-	145,425
(1,104)	-	(3,304)	(1,000)	(145,425)
224,165	-	-	2,675	226,840
5,698	-	-	260	16,447
-	-	-	(3,385)	(80,589)
-	-	15,139	343	25,710
-	-	2,050	-	2,053
<u>228,759</u>	<u>-</u>	<u>13,885</u>	<u>(1,107)</u>	<u>190,461</u>
123,769	(74,169)	3,141	(832)	(17,138)
<u>143,521</u>	<u>26,482</u>	<u>53,937</u>	<u>55,322</u>	<u>670,167</u>
<u>\$ 267,290</u>	<u>\$ (47,687)</u>	<u>\$ 57,078</u>	<u>\$ 54,490</u>	<u>\$ 653,029</u>

(Concluded)

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

Total net change in fund balances - governmental funds \$ (17,138)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays (\$433,980) exceed depreciation expense (\$81,466) in the period. 352,514

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (224,165)

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. (14,168)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 58,861

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 (\$80,589) exceed refunding proceeds (\$2,675) in the current period. 77,914

Revenues in the statement of activities that are not available to liquidate current financial obligations are not reported in the governmental funds. 3,282

The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets. (7,485)

Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds. (6,771)

An internal service fund is used by management to charge the costs of maintenance activities to individual funds. The net revenue of the internal service fund is reported with governmental activities. -

Change in net assets of governmental activities \$ 222,844

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources	\$ 772,643	\$ 789,703	\$ 789,327	\$ 17,060	\$ (376)
State sources	433,190	403,616	403,796	(29,574)	180
Federal sources	3,941	4,729	4,729	788	-
TOTAL REVENUES	<u>1,209,774</u>	<u>1,198,048</u>	<u>1,197,852</u>	<u>(11,726)</u>	<u>(196)</u>
EXPENDITURES:					
Instruction	852,031	830,368	798,612	21,663	31,756
Instructional support services	106,291	109,568	104,698	(3,277)	4,870
Board	5,111	5,073	4,894	38	179
General administration	7,254	7,206	6,903	48	303
School administration	96,143	93,342	91,665	2,801	1,677
Facilities acquisition and construction	1,675	636	577	1,039	59
Fiscal services	4,536	4,519	4,380	17	139
Central services	14,032	14,025	13,642	7	383
Pupil transportation services	40,199	44,450	44,190	(4,251)	260
Operation of plant	117,829	124,694	121,450	(6,865)	3,244
Maintenance of plant	40,399	49,316	48,287	(8,917)	1,029
Administrative Technology Services	5,553	5,477	5,260	76	217
Community services	22,608	26,000	21,183	(3,392)	4,817
Debt service	1,063	1,357	1,358	(294)	(1)
TOTAL EXPENDITURES	<u>1,314,724</u>	<u>1,316,031</u>	<u>1,267,099</u>	<u>(1,307)</u>	<u>48,932</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(104,950)</u>	<u>(117,983)</u>	<u>(69,247)</u>	<u>(13,033)</u>	<u>48,736</u>
OTHER FINANCING SOURCES:					
Transfers in	39,000	43,705	43,705	4,705	-
Issuance of long-term and refunded debt	9,811	9,811	9,811	-	-
Proceeds from loss recoveries	-	10,228	10,228	10,228	-
Sale of capital assets	-	2	3	2	1
TOTAL OTHER FINANCING SOURCES	<u>48,811</u>	<u>63,746</u>	<u>63,747</u>	<u>14,935</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ (56,139)</u>	<u>\$ (54,237)</u>	<u>(5,500)</u>	<u>\$ 1,902</u>	<u>\$ 48,737</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>93,635</u>		
FUND BALANCE , JUNE 30, 2005 (BUDGETARY BASIS)			88,135		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			<u>8,670</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ 96,805</u>		

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2006
(amounts expressed in thousands)

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
ASSETS	
Cash, cash equivalents and investments	\$ 37
Total assets	<u>\$ 37</u>
LIABILITIES	
Accounts payable	\$ 12
NET ASSETS	
Unrestricted	25
Total liabilities and net assets	<u>\$ 37</u>

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

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES:	
Service revenue	\$ 27,549
TOTAL OPERATING REVENUES	<u>27,549</u>
OPERATING EXPENSES:	
Salaries	20,780
Benefits	6,734
Purchased services	131
TOTAL OPERATING EXPENSES	<u>27,645</u>
OPERATING LOSS	(96)
NONOPERATING REVENUES:	
Interest and other income	96
TOTAL NONOPERATING REVENUES	<u>96</u>
CHANGE IN NET ASSETS	-
NET ASSETS - Beginning of year	<u>25</u>
NET ASSETS - End of year	<u>\$ 25</u>

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	Governmental Activities
	Internal Service Fund
	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash receipts from services provided to other funds	\$ 27,549
Cash payments to suppliers for goods and services	(131)
Cash payments for salaries, benefits, and other expenses	(27,514)
Net cash used in operating activities	<hr/> <u>(96)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earnings on investments	96
Net cash provided by investing activities	<hr/> <u>96</u>
 Net increase in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	<hr/> <u>37</u>
 Cash and cash equivalents, end of year	<hr/> <u>\$ 37</u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating loss	\$ (96)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Increase in accounts payable	-
Total adjustments	<hr/> <u>-</u>
 Net cash used in operating activities	<hr/> <u>\$ (96)</u>

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006
(amounts expressed in thousands)

	PRIVATE- PURPOSE TRUST FUND	AGENCY FUND
	FLORIDA FUTURE EDUCATORS OF AMERICA	SCHOOL INTERNAL FUNDS
ASSETS		
Cash, cash equivalents and investments	\$ 524	\$ 13,675
Accounts receivable	-	599
TOTAL ASSETS	524	\$ 14,274
LIABILITIES		
Accounts payable	-	\$ 69
Other liabilities	-	340
Due to student organizations	-	13,865
TOTAL LIABILITIES	-	\$ 14,274
NET ASSETS		
Held in trust for scholarships	524	
TOTAL NET ASSETS	\$ 524	

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	PURPOSE TRUST FUND
	FLORIDA FUTURE EDUCATORS OF AMERICA
ADDITIONS	
Donations	\$ 98
	<u>98</u>
Scholarship disbursements	<u>75</u>
	TOTAL ADDITIONS
TOTAL DEDUCTIONS	<u>75</u>
	DEDUCTIONS
CHANGE IN NET ASSETS	23
NET ASSETS - Beginning of year	<u>501</u>
NET ASSETS - End of year	<u><u>\$ 524</u></u>

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





THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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 with Accounting Principles Generally Accepted in the United States 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 1010.01, 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," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units", 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"), Assumption of Operations of Charter Schools of Palm Beach County, Inc. ("Assumption") and thirty-eight of the forty-four Charter Schools operating within the District. These Charter Schools are included due to the fact that the exclusion of them would cause the District's financial statements to be incomplete. Based on the Auditor General's Rules, Chapter 10.850, "Audits of Charter Schools and Similar Entities" District management has determined that the following four charter schools are non-component units: Palm Beach Maritime Academy, Potentials Charter School, Potentials South Charter School and Seagull Academy Charter School. Each of these charter schools are operated by entities other than the District and are not legally separate from those entities. As such, each of these charter schools is included as a component unit of their respective operating entity.

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. The Corporation does not publish individual component unit financial statements.

Assumption's sole purpose is to assume operations of certain charter schools, while legal or administrative procedures are followed. Additionally, Assumption is legally separate from the District and the Board of Assumption consists of three officers of the District. The financial activities of Assumption are considered to be immaterial to the District and have not been blended.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

Discretely Presented Component Units - Florida State Statute 1002.33 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. At fiscal year end there were thirty-eight Charter Schools operating within the School District of Palm Beach County meeting the criteria for presentation as a discretely presented component unit.

During fiscal year 2006, two of the charter schools ceased operations: Spanish Academy Charter School on February 5, 2006 and Corebridge Educational Academy on June 15, 2006. On December 14, 2005 two other charter school contracts (Delray Boynton Academy and Riviera Beach Academy) were terminated and the charter schools were converted to alternative education schools, operating as private providers. Effective February 1, 2006 Assumption took over the operations of two charter schools, Survivors Charter School of West Palm Beach and Survivors Charter School of Boynton Beach. The charter schools continued to operate for the remaining portion of the fiscal year under the administration of Assumption.

In addition, applications for two new charter schools were approved to open during the fiscal year, Palm Beach Military Academy and New Vision Child Academy. Neither of these schools opened during the fiscal year, thus no financial information has been reported for these entities.

Complete financial statements of the individual component units can be obtained from their administrative offices, except for those previously identified that closed operations during the year or those whose charters were terminated. The thirty-two component unit charter schools in operation at fiscal year end are listed below:

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

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

Boca Raton Charter (Opened 2-6-06)
414 NW 35th Street
Boca Raton, Florida 33431

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 Avenue, Suite 529
Boynton Beach, Florida 33426

DayStar Academy of Excellence
970 North Seacrest Boulevard
Boynton Beach, Florida 33435

Delray Youth Vocational Charter School
601 North Congress Avenue, 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 334

Good Schools for All Leadership
NW 4th Avenue
Delray Beach, Florida 444

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

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

Gulfstream Goodwill Transition
950 North Congress Avenue
Riviera Beach, Florida 33404

The IMAGINE School
2580 Metrocentre Boulevard
West Palm Beach, Florida 33407

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

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

Life Skills Center, Palm Beach
600 N. Congress Avenue, Suite 560
Delray Beach, Florida 33445

Montessori Academy of Northern Palm Beach
9482 Mac Arthur Boulevard
Palm Beach Gardens, Florida 33403

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

Toussaint L'Ouverture
14610-A South Military Trail
Delray Beach, Florida 33484

The six charter schools that ceased operations or converted to alternative education schools are listed below:

Corebridge Educational Academy (Closed 6-15-06)
7887 North Federal Highway
Boca Raton, Florida 33487

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

Survivors Charter School
(Charter Terminated 1-31-06)
1310 North Congress Avenue
West Palm Beach, Florida 33409

Gulfstream Goodwill L.I.F.E Academy
3800 South Congress Avenue
Boca Raton, Florida 33426

Hope Learning Community of Riviera Beach
(Noah's Ark International)
21 West 22nd Street
Riviera Beach, Florida 33404

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

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

Leadership Academy West
2030 South Congress Avenue
West Palm Beach, Florida 33406

Montessori Academy of Early Enrichment
2030 South Congress Avenue
West Palm Beach, Florida 33406

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

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

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

Delray Boynton Academy
425 Martin Luther King Boulevard
Boynton Beach, Florida 33435

Spanish Academy Charter School (Closed 2-5-06)
414 N.W. 35th Street
Boca Raton, Florida 33431

Survivors Charter School of Boynton Beach
(Charter Terminated 1-31-06)
1325 Gateway Boulevard
Boynton Beach, Florida 33426

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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, Assumption, as well as all of the funds of the District as a governmental unit.

Change in Reporting Entity

As a result of the cease of operations of various charter schools and the continued operations of other charter schools under the administration of Assumption, District's management has excluded six of the Charter Schools that were reported as component units during prior years (as described above). As a result of this change in reporting, the net assets of the component units as a whole has been restated by \$2,382,000 as follows:

Net Assets - Beginning of year, as previously reported	\$ 8,890,000
Adjustments for Effect of Change in Reporting Entity	
Corebridge Educational Academy	74,000
Delray Boynton Academy	(517,000)
Rivera Beach Academy	(5,000)
Spanish Academy Charter School	152,000
Survivors Charter School	(814,000)
Survivors Charter School-Boynton Beach	(1,272,000)
Subtotal	<u>(2,382,000)</u>
Net Assets - Beginning of year, adjusted	<u>\$ 6,508,000</u>

At the date of issuance of this report, the District had no financial information available relating to the operations of these charter schools.

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.

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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. All of the component units are nonmajor and 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 Net Assets for the Proprietary Fund reports increases and decreases in total economic net worth. The private purpose trust fund is reported using the economic resources measurement focus.

GOVERNMENTAL FUNDS

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

Certificates of Participation ("COPS") Debt Service Fund

The COPS debt service fund accounts for the repayment of the certificates of participation.

Capital Improvement Capital Projects Fund

The capital improvement 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.

Certificates of Participation ("COPS") Capital Projects Fund

The COPS capital projects fund accounts for construction projects and equipment purchases financed by the sale of certificates of participation.

Sales Tax Capital Projects Fund

The sales tax capital projects fund accounts for locally received funds, primarily sales tax revenue, for the acquisition, construction or renovation of capital facilities, including land and equipment.

Other Capital Projects Fund

The other capital projects fund account for impact fees and miscellaneous state revenues received for the acquisition, construction and renovation of capital facilities.

Other Governmental Funds

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

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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 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 all revenues (with the exception of the expenditure-driven grants) as available if they are collected within sixty (60) days after year-end. The expenditure driven grants are considered available if received within one year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at year end when revenue is recognized for taxes received by the District within 60 days subsequent to fiscal 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. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project

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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.

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, as amounts are not significant.

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 Public Education Capital Outlay (“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 become eligible and since authorizations are made available for several years, revenue is not recognized until the eligibility criteria is met.

Property Taxes – On an accrual basis, property tax revenue anticipated to be collected is recognized in the fiscal year for which it is levied. Delinquent taxes collected in subsequent periods are recognized as revenue during the fiscal year in which they are received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s internal service fund are charges for maintenance services. Operating expenses include the cost of the services along with payroll and related expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

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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 GAAP, except for encumbrances, and the PECO, Classrooms First, Effort index grant and Class size reduction revenues. The budgetary process includes encumbrances and the aforementioned revenues in the current year budget. The encumbrances and revenues are reported as expenditures or revenues respectively, 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 6, 2006, 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.
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.

At a final public hearing within 80 days, but not less than 65 days, after tax roll certification, the Board adopts the District budget.

The major functional level is the legal level of budgetary control. Per Board policy, management is authorized to make budget amendments at function level with Board approval. All interim budget amendments between major functional areas within each fund are submitted to the Board for approval. 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 2006, 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, 2006 for funds under budgetary control have been reappropriated for the fiscal year 2007 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

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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 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 capital assets owned by the District. Purchased assets are recorded as expenditures in the fund financial statements and are 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 capital 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 – 5 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'

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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 7). Consistent with GAAP guidelines, for the governmental funds, in the fund financial statements, the liability for self-insured risks is considered long-term and therefore, is 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.

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 leave 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 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 up to 3% of the total annual General Fund appropriations and transfers.

L. Implementation of New Accounting Principle

The District adopted the provisions of GASB Statement No. 44, Economic Condition Reporting: The Statistical Section. This Statement amends the previous statement that guides in the preparation of the statistical section. This Statement improves the understandability and usefulness of the statistical section information by addressing the comparability issues that have developed by adding information from the new financial reporting model required by GASB Statement No. 34. Accordingly, the statistical section has been revised to conform to the provisions of GASB Statement No. 44.

M. 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

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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 prior to April 1. State law provides for enforcement of collection of taxes by the sale of tax certificates on real property and for levy upon, seizure and sale of personal property after the 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 8.106 mills and the total assessed value on which the 2005-06 levy was based was \$130,262,743,363. Gross taxes levied were \$1,055,909,798. Total revenue, net of discounts, was \$1,018,634,725. A portion of the taxes levied for the Local Capital Improvement Capital Project Fund, designated for repairs and maintenance programs, are transferred to the General Fund as provided by Chapter 1013, Florida Statutes. For fiscal year 2006, the maintenance transfer amounted to \$43,704,811.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Florida Statutes authorize the deposit of District funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All District public deposits are held in qualified public depositories pursuant to chapter 280, Florida Statutes, the "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a 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 50 percent to 125 percent depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositories resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. All bank balances of the District are fully insured or collateralized. At June 30, 2006, the carrying amount of the District's cash deposits was \$4,253,981 and the bank balance was \$23,075,374. The carrying amount of the Agency Fund - School Internal Funds cash deposits was \$13,674,711.

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 SBA Local Government Surplus Funds 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 \$832,362,506 is reported at fair value. As of June 30, 2006, the Local Government Investment Pool was not rated by a nationally recognized statistical rating agency.

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Investments

The District's investment policy permits investments in the SBA 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. The District's investment advisor used the effective duration method to calculate effective duration measures for the securities held by the District. Besides measuring the sensitivity of the securities market value to changes in interest rates, the effective duration method accounts for any call (early redemption) features which a security may have. As of June 30, 2006, the District had the following unrestricted cash and investments and maturities:

PORTFOLIO / INVESTMENTS	CARRYING VALUE	EFFECTIVE DURATION
Cash Deposits	\$ 4,253,981	N/A
Money Market Funds	20,823,348	N/A
Florida State Board of Administration	832,362,506	N/A
Commercial Paper	36,348,988	0.093
Core Fund Investments		
US Treasury - Notes	30,372,525	1.666
Federal Agency - Bond/Notes	41,192,245	1.514
Federal Agency - Mortgage Pass-Throughs	7,505,433	1.027
Corporate Notes	5,423,413	1.795
Debt Service - Escrow		
Certificates of Participation 2002E		
State and Local Government Series (SLGS)	20,563,500	N/A
Debt Proceeds - Invested in Securities		
Certificates of Participation 2004A		
Federal Agency - Bond/Notes	<u>1,196,250</u>	0.122
TOTAL	<u>\$ 1,000,042,189</u>	

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

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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. The District's investments in the Federal Home Loan Bank mature between June 2007 and December 2008. The District's investments in the Federal Home Loan Mortgage Corporation mature between August 2007 and November 2008. The District's investments in the Federal National Mortgage Association mature between December 2006 and January 2009. As of June 30, 2006, the District held approximately \$16 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 ("S&P"). The maximum length to maturity for corporate notes shall be three (3) years from the date of purchase. As of June 30, 2006, the District held \$5.4 million of corporate notes with S&P ratings of AA-. All investments in the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association were rated AAA by S&P. All other rated investments were rated AAA by S&P. As of June 30, 2006, 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 SBA Local Government Surplus Funds Trust Fund 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.

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PORTFOLIO / INVESTMENTS	CARRYING VALUE	%
Cash Deposits	\$ 4,253,981	0.43%
Money Market Funds		
Federated Government Money Market Fund	12,600,101	1.26%
Hamilton Money Market Fund	4,785,901	0.48%
Fidelity Money Market Fund	3,437,346	0.34%
Florida State Board of Administration (SBA)	832,362,506	83.23%
Commercial Paper		
Citigroup Funding Inc. Commercial Paper	12,020,217	1.20%
General Electric Capital Corporation Commercial Paper	12,313,301	1.23%
Toyota Motor Credit Commercial Paper	12,015,470	1.20%
Investments in Securities		
US Treasury - Notes	30,372,525	3.04%
Wells Fargo Bank	3,952,603	0.40%
Bank of America	1,470,810	0.15%
Federal Farm Credit Bank	1,980,972	0.20%
Federal Home Loan Bank	10,214,210	1.02%
Federal Home Loan Mortgage Corp	22,246,203	2.22%
Federal National Mortgage Association	15,452,543	1.55%
Debt Service - Escrow		
Certificates of Participation 2002E		
State and Local Government Series(SLGS) securities	20,563,500	2.06%
	\$ 1,000,042,189	100.00%

As of June 30, 2006, all District investments were in compliance with the District's Investment Policy and did not exceed portfolio allocation or issuer maximums.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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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, 2006, the District's investment portfolio was held with a third-party custodian.

4. DUE FROM OTHER AGENCIES

At June 30, 2006, the District had a total of \$75,292,000 in "Due from other agencies". Approximately \$21 million is due from federal, State and local governments for various grant programs. Approximately \$7.3 million and \$2 million is due from the State for the Class Size Reduction Program and Public Education Capital Outlay, respectively. Approximately \$4.3 million and \$18 million is due from the Federal Emergency Management Agency (FEMA) and from the State, respectively for damages sustained by recent hurricanes. Approximately \$20 million is due from the State for sales taxes. Another \$2.7 million is due from other state and local agencies for miscellaneous items. At June 30, 2006, the District does not expect to collect \$3,281,911 within one year.

5. INTERFUND ACTIVITIES

Due to/from other funds consisted of the following balances at June 30, 2006:

	Interfund Receivables	Interfund Payables
General Fund	\$ 17,000,000	\$ -
Other Governmental Funds	-	17,000,000
Total Interfund	\$ 17,000,000	\$ 17,000,000

The amount payable by the other governmental funds to the general fund is to cover temporary cash shortages.

A summary of interfund transfers as of June 30, 2006 is as follows:

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Transfer from:	Transfer to:		
	General Fund	COPS Debt Service Fund	Total
Capital Improvement Fund	\$ 43,704,811	\$ 96,312,726	\$ 140,017,537
PECO Fund		1,000,000	1,000,000
COPS Fund		1,103,500	1,103,500
Other Capital Projects Fund		3,303,624	3,303,624
Total	<u>\$ 43,704,811</u>	<u>\$ 101,719,850</u>	<u>\$ 145,424,661</u>

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, 2006 is as follows (in thousands):

Primary Government

	Balance July 1, 2005	Additions	Retirements and Transfers	Balance June 30, 2006
<u>Non-Depreciable Assets:</u>				
Land	\$ 237,376	\$ 39,173	\$ (24)	\$ 276,525
Construction in Progress	376,846	336,131	(269,516)	443,461
Total Non-Depreciable Assets	614,222	375,304	(269,540)	719,986
<u>Depreciable Assets:</u>				
Improvements Other Than Buildings	8,724	-	3,198	11,922
Buildings and Improvements	2,283,376	26,218	237,568	2,547,162
Furniture, Fixtures & Equipment	185,957	20,334	(35,062)	171,229
Motor Vehicles	74,482	9,325	(2,680)	81,127
Furniture, Fixtures & Equipment Under Capital Leases	2,879	-	(2,879)	-
Audio/Video Materials & Software	43,423	14,069	(16,232)	41,260
Total Depreciable Assets	2,598,841	69,946	183,913	2,852,700
<u>Less Depreciation For:</u>				
Improvements Other Than Buildings	(1,373)	(794)	-	(2,167)
Buildings and Improvements	(504,970)	(51,973)	15,508	(541,435)
Furniture, Fixtures & Equipment	(127,600)	(17,949)	31,760	(113,789)
Motor Vehicles	(40,238)	(6,881)	2,394	(44,725)
Furniture, Fixtures & Equipment Under Capital Leases	(857)	(411)	1,268	-
Audio/Video Materials & Software	(27,744)	(3,458)	15,941	(15,261)
Total Accumulated Depreciation	(702,782)	(81,466)	66,871	(717,377)
Capital Assets, Net	\$ 2,510,281	\$ 363,784	\$ (18,756)	\$ 2,855,309

Depreciation expense for the year ended June 30, 2006 of approximately \$81,466,000 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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Discretely presented component units

	Balance July 1, 2005	Change in Reporting Entity	Balance July 1, 2005, Adjusted	Additions	Retirements and Transfers	Balance June 30, 2006
<u>Non-Depreciable Assets:</u>						
Construction in Progress	\$ 122	\$ -	\$ 122	\$ -	\$ (122)	\$ -
Total Non-Depreciable Assets	122	-	122	-	(122)	-
<u>Depreciable Assets:</u>						
Improvements Other Than Buildings	175	-	175	1,277	(158)	1,294
Buildings and Improvements	5,163	(2,873)	2,290	3,017	(205)	5,102
Furniture, Fixtures & Equipment	3,103	(761)	2,342	1,054	(219)	3,177
Motor Vehicles	140	(34)	106	-	-	106
Audio/Video Materials & Software	224	(91)	133	241	-	374
Total Depreciable Assets	8,805	(3,759)	5,046	5,589	(582)	10,053
Less: Accumulated Depreciation	(1,579)	519	(1,060)	(748)	275	(1,533)
Capital Assets, Net	\$ 7,348	\$ (3,240)	\$ 4,108	\$ 4,841	\$ (429)	\$ 8,520

The balances of capital assets of the discretely presented component units as of July 1, 2005 has been adjusted by \$3,240,000 due to a change in reporting entity related to various charter schools. (See Note 1).

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; administrative errors and omissions; injuries to employees, students and guests; as well as natural disasters. The District is self-insured for errors and omissions as well as workers' compensation losses. Losses involving auto and general liability claims are limited (generally) by provisions of the Florida State Statute 768.28. 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, 2006 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, 2006, the liability for insurance claims consisted of \$7,305,000 for auto and general liability and \$36,050,000 for workers' compensation.

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

	Fiscal Year Ended June 30, 2006	Fiscal Year Ended June 30, 2005
Beginning Balance	\$ 40,403,000	\$ 37,296,000
Additions:		
Current year claims and changes in estimates	20,374,006	21,486,289
Reductions:		
Claim payments	(17,422,006)	(18,379,289)
Ending Balance	<u>\$ 43,355,000</u>	<u>\$ 40,403,000</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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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, 2004, 2005 and 2006.

8. TAX ANTICIPATION NOTES PAYABLE
Tax Anticipation Notes

On October 20, 2005 the District issued Tax Anticipation Notes ("TANS"), Series 2005. This \$55,000,000 issue was sold at a coupon interest rate of 4.00 percent with an effective yield of 2.902 percent. Interest costs incurred on this issue for the year ended June 30, 2006, were \$1,125,447 net of a premium of \$402,330. Note proceeds were used to pay fiscal year 2006 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 2005. The notes are due September 28, 2006.

Short-term debt activity for the year ended June 30, 2006 was as follows:

	Beginning Balance <u>June 30, 2005</u>	<u>Issued</u>	<u>Redeemed</u>	Ending Balance <u>June 30, 2006</u>
Tax anticipation notes	<u>\$55,000,000</u>	<u>\$55,000,000</u>	<u>\$(55,000,000)</u>	<u>\$55,000,000</u>

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, 2006, 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, 2006	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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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9. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2006, is as follows (in thousands):

	Beginning Balance 6-30-05	Additions	Reductions	Ending Balance 6-30-06	Amounts Due Within One Year
Governmental Activities:					
Bonds and Leases Payable:					
Capital Outlay Bond Issue	\$ 47,320	\$ 2,675	\$ (7,615)	42,380	\$ 3,800
General Obligation Bonds	79,555	-	(25,280)	54,275	26,510
Capital Lease	901	-	(901)	-	-
Certificates of Participation	1,446,708	224,165	(105,500)	1,565,373	37,605
	<u>1,574,484</u>	<u>226,840</u>	<u>(139,296)</u>	<u>1,662,028</u>	<u>67,915</u>
Plus (Less) Issuance Premium (Discount)	36,162	18,400	(3,708)	50,854	
Less Deferred Amount on Refundings	(23,094)	(2,060)	2,085	(23,069)	
Total Bonds and Leases Payable	<u>1,587,552</u>	<u>243,180</u>	<u>(140,919)</u>	<u>1,689,813</u>	<u>67,915</u>
Other Liabilities:					
Compensated Absences	146,805	20,714	(14,431)	153,088	12,368
Claims and Judgments	40,403	20,374	(17,422)	43,355	10,570
Post Retirement Benefits	3,503	-	(2,193)	1,310	322
Total Other Liabilities	<u>190,711</u>	<u>41,088</u>	<u>(34,046)</u>	<u>197,753</u>	<u>23,260</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,778,263</u>	<u>\$ 284,268</u>	<u>\$ (174,965)</u>	<u>\$ 1,887,566</u>	<u>\$ 91,175</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.

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 3.50% - 5.00%. Interest is payable semiannually on February 1 and August 1. All bonds issued are subject to arbitrage rebate, however, at June 30, 2006, the arbitrage was zero.

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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, 2006, the total amount of defeased debt outstanding but removed from the District's financial statements amounted to \$397,015,000.

In a prior year, the District advance refunded certain certificates of participation, part of which met the requirements of an in-substance debt defeasance on August 1, 2005. At that time, the District made a principal reduction payment of \$76,440,000 and a call premium payment of \$764,400, both which are recorded in the fund level financial statements as a payment to escrow agent. As a result of the advanced refunding, the District will reduce its total debt service requirement by \$5,114,684, which will result in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$3,753,554. The remaining amount of refunded debt will meet the requirements of an in-substance debt defeasance on August 1, 2006. At that time, the liability for the refunded certificates will be removed from the District's financial statements. At June 30, 2006 the amount of refunded debt to be defeased but still remaining on the District's financial statements amounts to \$20,115,000.

Annual Debt Service Requirements

Annual requirements to amortize all bond issues outstanding as of June 30, 2006 are as follows (in thousands):

Year Ended June 30	Principal Capital Outlay Bonds	Principal General Obligation Bonds	Total Interest	Total Principal and Interest
2007	\$ 3,800	\$ 26,510	\$ 3,432	\$ 33,742
2008	2,775	27,765	1,949	32,489
2009	2,970	-	1,173	4,143
2010	3,175	-	1,087	4,262
2011	3,405	-	981	4,386
2012-2016	19,480	-	3,140	22,620
2017-2021	5,330	-	887	6,217
2022-2025	1,445	-	89	1,534
Total	\$ 42,380	\$ 54,275	\$ 12,738	\$ 109,393

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, 2006, the statutory limit for the District was approximately \$13.0 billion, providing additional debt capacity of approximately \$12.9 billion.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
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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, May 26, 2005 and May 25, 2006 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, Series 2005B and Series 2006A 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, \$38,505,000 and \$222,015,000 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 2003A, Series 2003B, Series 2004A, Series 2005B and Series 2006A 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. In addition, 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, April 30, 2004 and December 15, 2005 the District sold Certificates of Participation, Series 2002, Series 2004 and Series 2005 Qualified Zone Academy Bonds ("QZAB") in an aggregate principal amount of \$950,000, \$2,923,326 and \$2,150,308 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, Series 2004 and Series 2005 QZAB certificates are payable on July 16, 2016, April 30, 2020 and December 15, 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.

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The Corporation leases facilities and equipment to the District under the Master Lease. The Master Lease is automatically renewable annually unless terminated, in accordance with the provisions of the Master Lease, as a result of default or the failure of the Board to appropriate funds to make lease payments in its final official budget. Failure to appropriate funds to pay lease payments under any lease will, and an event of default under any lease may, result in the termination of all leases. The remedies on default or upon an event of non-appropriation include the surrender of the Series 1994A, Series 1995A, Series 1996A, Series 2001A, Series 2002A, Series 2002B, Series 2002C, Series 2002D, Series 2003A, Series 2003B, Series 2004A, Series 2005B and Series 2006A 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, Series 2005B and Series 2006A 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:

Certificates	Ground Lease Term
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
Series 2006A	August 1, 2036

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

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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, 2006, approximately \$108,702,000 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 London Interbank Offering Rate ("LIBOR"). The counterparty can pay this lower Alternate Rate if the 180-day average of the Bond Market Association ("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, 2006, the swap had a negative fair value of \$9,139,277 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 basis points. 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 present value 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, 2006, the swap had a negative fair value of \$1,295,806 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, 2006, the swap had a negative fair value of \$1,345,521 based on mid-market values as of the close of business.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

Floating-to-Fixed Interest Rate Swap: In connection with the anticipated future issuance of \$116,550,000 of variable-rate bonds to refund outstanding Certificates of Participation, Series 2002D and \$162,980,000 of variable-rate bonds to refund outstanding Certificates of Participation, Series 2001B, on August 10 and August 16, 2005 respectively, the District sold two options (the "Swaptions") on floating-to-fixed BMA interest rate swaps to Citibank, NA. The upfront gross premium amounts for the sale of the 2002D and 2001B swaptions were \$4,240,000 and \$6,250,000 respectively. The Swaption sales allowed the District to achieve a *synthetic forward refunding* of the Bonds to lock in savings based on current market conditions. Under U.S. tax law, the 2002D and 2001B Bonds were not eligible for a traditional current refunding until May 1, 2012 and May 1, 2011, respectively. The terms of the Swaptions were structured to mirror the terms on the optional redemption features on the 2002D and 2001B Bonds. On the fund level financial statements, the premium received is recorded as other financing sources. On the government-wide financial statements, the premium is being amortized as income over the life of the agreement. At June 30, 2006, the swap had a negative fair value of \$8,275,362 based on mid-market values as of the close of business.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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	
2007	\$ 6,480	\$ 1,500	\$ 3,320	\$ 1,400	\$ 580	\$ 6,015	\$ -	
2008	-	1,575	3,475	710	605	6,200	-	
2009	-	1,655	3,635	1,070	625	6,320	-	
2010	-	1,740	3,805	450	650	6,620	-	
2011	-	1,835	3,990	725	675	6,870	-	
2012-2016	-	10,785	23,145	2,680	3,850	30,640	-	
2017-2021	-	2,525	-	11,435	68,990	6,405	24,275	
2022-2026	-	-	-	31,225	91,475	-	62,135	
2027-2031	-	-	-	31,050	-	-	28,940	
2032-2037	-	-	-	-	-	-	-	
Total	<u>\$ 6,480</u>	<u>\$ 21,615</u>	<u>\$ 41,370</u>	<u>\$ 80,745</u>	<u>\$ 167,450</u>	<u>\$ 69,070</u>	<u>\$ 115,350</u>	

Year ended June 30	Series 2002-C	Series 2002-D	Series 2002-E	Series 2003-A	Series 2003-B	Series 2004-A	Series 2005-A	
2007	\$ 2,220	\$ 3,235	\$ -	\$ 2,945	\$ -	\$ 2,625	\$ 175	
2008	3,015	3,645	8,200	3,005	-	2,680	180	
2009	2,870	3,660	8,610	3,065	-	2,730	185	
2010	3,555	3,850	9,045	3,130	-	2,795	190	
2011	3,435	3,980	9,495	3,195	-	2,870	195	
2012-2016	16,480	17,595	55,535	17,360	-	16,020	18,825	
2017-2021	6,970	10,335	2,465	21,330	-	20,130	85,420	
2022-2026	39,200	32,730	-	1,790	24,945	25,640	19,460	
2027-2031	55,690	85,190	-	-	99,350	25,510	-	
2032-2037	-	-	-	-	-	-	-	
Total	<u>\$ 133,435</u>	<u>\$ 164,220</u>	<u>\$ 93,350</u>	<u>\$ 55,820</u>	<u>\$ 124,295</u>	<u>\$ 101,000</u>	<u>\$ 124,630</u>	

Year ended June 30	Series 2005-B	Series 2006-A	Series 2002-QZAB	Series 2004-QZAB	Series 2005-QZAB	Total Lease Payment	Total Interest	Total Lease Payment & Interest
2007	\$ 7,110	\$ -	\$ -	\$ -	\$ -	\$ 37,605	\$ 68,815	\$ 106,420
2008	7,395	5,135	-	-	-	45,820	70,582	116,402
2009	7,660	5,545	-	-	-	47,630	68,781	116,411
2010	8,020	5,765	-	-	-	49,615	66,856	116,471
2011	8,320	5,975	-	-	-	51,560	64,837	116,397
2012-2016	-	32,005	950	-	-	245,870	291,675	537,545
2017-2021	-	39,345	-	2,923	2,150	304,698	224,665	529,363
2022-2026	-	49,895	-	-	-	378,495	142,477	520,972
2027-2031	-	63,650	-	-	-	389,380	41,852	431,232
2032-2037	-	14,700	-	-	-	14,700	367	15,067
Total	<u>\$ 38,505</u>	<u>\$ 222,015</u>	<u>\$ 950</u>	<u>\$ 2,923</u>	<u>\$ 2,150</u>	<u>\$ 1,565,373</u>	<u>\$ 1,040,907</u>	<u>\$ 2,606,280</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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, P.O. Box 9000, Tallahassee, Florida 32315-9000.

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 7.83% 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, 2004	June 30, 2005	June 30, 2006
Florida Retirement System	\$ 57,415,837	\$ 61,354,189	\$ 69,712,034
Teachers' Retirement System Plan E: Employer	101,044	85,762	81,883

11. POST RETIREMENT BENEFITS

In addition to the retirement benefits described in Note 10, the District has authorized various 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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 the Teachers Retirement System) 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 liability and related expenditure as recorded in the Governmental Funds statements for the fiscal year ended June 30, 2006 is as follows:

	Number of Participants	Balance @ 6-30-05	Total Paid FY 2006	Balance @ 6-30-06
RIP 96	26	\$ 48,500	\$ 48,500	\$ -
RIP 99	112	3,454,379	2,144,413	1,309,966
Total	138	\$ 3,502,879	\$ 2,192,913	\$ 1,309,966

* 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 estimated liability for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on uninsured risks. It is the opinion of management in consultation with legal counsel, the final settlements of these matters will not result in a material adverse effect on the financial position of the District.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

As part of its capital outlay program, the District has entered into various construction contracts. At June 30, 2006, the District had construction commitments of approximately \$190 million.

The District has entered into a voice system purchase agreement that expires in 2008. The agreement requires that the District purchase \$6,474,602 of equipment. As of June 30, 2006 the District has a remaining commitment \$5,389,034 under the terms of this agreement.

13. SUBSEQUENT EVENTS

On August 1, 2006, certain certificates of participation met the requirements of an in-substance debt defeasance. The liability for the refunded certificates in the amount of \$20,115,000 has been removed from the District's financial statements. (See Note 9)

On September 13, 2006, in connection with the District's outstanding Certificates of Participation, Series 2002D, the District executed a forward-starting floating-to-floating or basis swap with UBS AG. PFM Asset Management LLC negotiated the structure, terms and pricing of the Basis Swap directly with UBS. The transaction consisted of a \$100 million constant maturity swap effective June 30, 2007 whereby the Board pays UBS 67% of 1-month LIBOR in exchange for receiving 59.93% of the 10-year Constant Maturity Swap ("CMS") rate.

On September 28, 2006, \$55,000,000 of Tax Anticipation Notes Series 2005 were paid. (See Note 8).

On October 4, 2006, the District issued Tax Anticipation Notes ("TANS") Series 2005. This \$85,000,000 issue was sold at a coupon rate of 4.00% with an effective yield of 3.510%. The notes are dated October 4, 2006, and are due September 25, 2007.



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Food Services Fund

To account for all School District cafeteria and food service programs.

Other Special Revenue Fund

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

Debt Service Funds

Debt Service Funds are maintained to account for the payment of interest and principal requirements on long-term debt.

State Board of Education/Capital Outlay Bond Indebtedness (SBE/COBI) Fund

To account for the repayment of the State Board of Education Capital Outlay Bonds.

District Bond Fund

To account for the repayment of general obligation debt.



Nonmajor Governmental Funds

Capital Projects Funds

Capital Outlay Bond Issue (COBI) Fund

To account for capital projects from proceeds received from the State Board of Education and issued at the request of the District.

Public Education Capital Outlay (PECO) Fund

To account for capital projects from proceeds received from the State of Florida for approved projects.

Capital Outlay and Debt Service (CO & DS) Fund

To account for capital projects financed through the District's allocation of the state Capital Outlay and Debt Service program.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006
(amounts expressed in thousands)

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>	
	<u>FOOD SERVICES</u>	<u>OTHER SPECIAL REVENUE</u>	<u>SBE/COBI BONDS</u>	<u>DISTRICT BONDS</u>
ASSETS				
Cash, cash equivalents and investments	\$ 15,349	\$ 1,213	\$ 1,563	\$ 32,648
Taxes receivable	-	-	-	656
Accounts and interest receivable	36	860	-	-
Due from other agencies	508	20,970	-	-
Inventories	1,684	-	-	-
TOTAL ASSETS	<u>\$ 17,577</u>	<u>\$ 23,043</u>	<u>\$ 1,563</u>	<u>\$ 33,304</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts and contracts payable	\$ 406	\$ 2,829	\$ -	\$ -
Due to other funds	-	15,000	-	-
Due to other agencies	-	344	-	-
Deposits payable	132	-	-	-
Unearned revenue	-	2,286	-	-
TOTAL LIABILITIES	<u>538</u>	<u>20,459</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund balances reserved:				
Reserved for encumbrances	406	3,527	-	-
Reserved for inventory	1,684	-	-	-
Reserved for debt service	-	-	1,563	33,304
Fund balances unreserved:				
Undesignated (deficit) capital projects	-	-	-	-
Undesignated (deficit)	14,949	(943)	-	-
TOTAL FUND BALANCES	<u>17,039</u>	<u>2,584</u>	<u>1,563</u>	<u>33,304</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,577</u>	<u>\$ 23,043</u>	<u>\$ 1,563</u>	<u>\$ 33,304</u>

See accompanying independent auditors' report.

CAPITAL PROJECTS FUNDS

COBI BONDS	PECO	CO & DS	NON-MAJOR GOVERNMENTAL FUNDS
\$ -	\$ 86	\$ (88)	\$ 50,771
-	-	-	656
-	-	-	896
-	1,968	88	23,534
-	-	-	1,684
<u>\$ -</u>	<u>\$ 2,054</u>	<u>\$ -</u>	<u>\$ 77,541</u>
\$ -	\$ 54	\$ -	\$ 3,289
-	2,000	-	17,000
-	-	-	344
-	-	-	132
-	-	-	2,286
<u>-</u>	<u>2,054</u>	<u>-</u>	<u>23,051</u>
-	3,132	-	7,065
-	-	-	1,684
-	-	-	34,867
-	(3,132)	-	(3,132)
-	-	-	14,006
<u>-</u>	<u>-</u>	<u>-</u>	<u>54,490</u>
<u>\$ -</u>	<u>\$ 2,054</u>	<u>\$ -</u>	<u>\$ 77,541</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>	
	<u>FOOD SERVICES</u>	<u>OTHER SPECIAL REVENUE</u>	<u>SBE/COBI BONDS</u>	<u>DISTRICT BONDS</u>
REVENUES				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 27,904
Interest income and other	544	-	-	896
Food service sales	23,056	-	-	-
Local grants and other	444	9,266	-	-
Total local sources	<u>24,044</u>	<u>9,266</u>	<u>-</u>	<u>28,800</u>
State sources:				
Capital outlay and debt service	-	-	5,815	-
Food service	869	-	-	-
Public education capital outlay	-	-	-	-
State grants and entitlements	-	3,797	-	-
Total state sources	<u>869</u>	<u>3,797</u>	<u>5,815</u>	<u>-</u>
Federal sources:				
Federal grants and entitlements	-	108,885	-	-
National school lunch act	32,311	-	-	-
Total federal sources	<u>32,311</u>	<u>108,885</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>57,224</u>	<u>121,948</u>	<u>5,815</u>	<u>28,800</u>
EXPENDITURES:				
Current:				
Instruction	-	51,970	-	-
Instructional support services	-	55,027	-	-
General administration	-	2,802	-	-
School administration	-	788	-	-
Facilities acquisition and construction	-	224	-	-
Fiscal services	-	98	-	-
Food services	57,064	-	-	-
Central services	-	386	-	-
Pupil transportation services	-	1,240	-	-
Operation of plant	-	1,949	-	-
Maintenance of plant	-	38	-	-
Community services	-	3,509	-	-
Total Current Expenditures	<u>57,064</u>	<u>118,031</u>	<u>-</u>	<u>-</u>

CAPITAL PROJECTS FUNDS			TOTAL NON-MAJOR GOVERNMENTAL FUNDS
COBI BONDS	PECO	CO & DS	
\$ -	\$ -	\$ -	\$ 27,904
-	-	9	1,449
-	-	-	23,056
-	-	-	9,710
<u>-</u>	<u>-</u>	<u>9</u>	<u>62,119</u>
-	-	1,188	7,003
-	-	-	869
-	12,608	-	12,608
-	-	-	3,797
<u>-</u>	<u>12,608</u>	<u>1,188</u>	<u>24,277</u>
-	-	-	108,885
-	-	-	32,311
<u>-</u>	<u>-</u>	<u>-</u>	<u>141,196</u>
<u>-</u>	<u>12,608</u>	<u>1,197</u>	<u>227,592</u>
-	-	-	51,970
-	-	-	55,027
-	-	-	2,802
-	-	-	788
-	-	-	224
-	-	-	98
-	-	-	57,064
-	-	-	386
-	-	-	1,240
-	-	-	1,949
-	-	-	38
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,509</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>175,095</u>

(Continued)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>	
	<u>FOOD SERVICES</u>	<u>OTHER SPECIAL REVENUE</u>	<u>SBE/COBI BONDS</u>	<u>DISTRICT BONDS</u>
Capital outlay	-	3,628	-	-
Debt service:				
Retirement of principal	-	-	3,620	25,280
Interest	-	-	1,309	3,229
Fiscal charges	-	-	14	546
TOTAL EXPENDITURES	<u>57,064</u>	<u>121,659</u>	<u>4,943</u>	<u>29,055</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>160</u>	<u>289</u>	<u>872</u>	<u>(255)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Issuance of long-term and refunded debt	-	-	2,675	-
Net premium (discount) from issuance of long-term and refunded debt	-	-	260	-
Payments to refunded debt escrow agent	-	-	(3,385)	-
Loss recovery	343	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>343</u>	<u>-</u>	<u>(450)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	503	289	422	(255)
FUND BALANCES, JULY 1, 2005	<u>16,536</u>	<u>2,295</u>	<u>1,141</u>	<u>33,559</u>
FUND BALANCES, JUNE 30, 2006	<u>\$ 17,039</u>	<u>\$ 2,584</u>	<u>\$ 1,563</u>	<u>\$ 33,304</u>

See accompanying independent auditors' report.

CAPITAL PROJECTS FUNDS			TOTAL NON-MAJOR GOVERNMENTAL FUNDS
COBI BONDS	PECO	CO & DS	
9	11,608	2,979	18,224
-	-	-	28,900
-	-	-	4,538
-	-	-	560
<u>9</u>	<u>11,608</u>	<u>2,979</u>	<u>227,317</u>
<u>(9)</u>	<u>1,000</u>	<u>(1,782)</u>	<u>275</u>
-	(1,000)	-	(1,000)
-	-	-	2,675
-	-	-	260
-	-	-	(3,385)
-	-	-	343
<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>(1,107)</u>
(9)	-	(1,782)	(832)
<u>9</u>	<u>-</u>	<u>1,782</u>	<u>55,322</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,490</u>

(Concluded)

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - COPS DEBT SERVICE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local sources:					
Interest income, local grants and other	\$ 27,472	\$ 1,636	\$ 1,636	\$ (25,836)	\$ -
TOTAL REVENUES	<u>27,472</u>	<u>1,636</u>	<u>1,636</u>	<u>(25,836)</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Retirement of principal	29,060	105,500	29,060	(76,440)	76,440
Interest	63,258	62,544	62,544	714	-
Fiscal charges	125	2,260	1,492	(2,135)	768
TOTAL EXPENDITURES	<u>92,443</u>	<u>170,304</u>	<u>93,096</u>	<u>(77,861)</u>	<u>77,208</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(64,971)</u>	<u>(168,668)</u>	<u>(91,460)</u>	<u>(103,697)</u>	<u>77,208</u>
OTHER FINANCING SOURCES (USES):					
Payments to refunded debt escrow agent	-	-	(77,204)	-	(77,204)
Premium on refunding debt	-	678	678	678	-
Transfers from capital projects funds	-	101,720	101,720	101,720	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>102,398</u>	<u>25,194</u>	<u>102,398</u>	<u>(77,204)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (64,971)</u>	<u>\$ (66,270)</u>	<u>(66,266)</u>	<u>\$ (1,299)</u>	<u>\$ 4</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>161,130</u>		
FUND BALANCE, JUNE 30, 2006 (BUDGETARY BASIS)			94,864		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ 94,864</u>		

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - CAPITAL IMPROVEMENT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources:					
District local capital improvement tax	\$ 247,499	\$ 251,364	\$ 251,364	\$ 3,865	\$ -
Interest income, local grants and other	4,533	9,663	9,663	5,130	-
TOTAL REVENUES	<u>252,032</u>	<u>261,027</u>	<u>261,027</u>	<u>8,995</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Library books	1,005	997	962	8	35
Audio-visual materials	4	164	38	(160)	126
Buildings and fixed equipment	91,225	91,243	52,045	(18)	39,198
Furniture, fixtures and equipment	57,696	35,391	27,263	22,305	8,128
Motor vehicles	9,195	9,243	9,210	(48)	33
Land	15,184	15,032	15,032	152	-
Improvements other than buildings	6,684	9,853	5,806	(3,169)	4,047
Remodeling and renovations	62,879	82,457	53,684	(19,578)	28,773
Computer software	3,328	9,341	6,908	(6,013)	2,433
Debt service:					
Retirement of principal	3,428	3,391	-	37	3,391
Interest	-	37	36	(37)	1
TOTAL EXPENDITURES	<u>250,628</u>	<u>257,149</u>	<u>170,984</u>	<u>(6,521)</u>	<u>86,165</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,404</u>	<u>3,878</u>	<u>90,043</u>	<u>2,474</u>	<u>86,165</u>
OTHER FINANCING SOURCES (USES):					
Transfers to the general fund	(38,000)	(42,705)	(43,705)	(4,705)	(1,000)
Transfers to debt service funds	(99,543)	(97,313)	(96,312)	2,230	1,001
TOTAL OTHER FINANCING SOURCES (USES)	<u>(137,543)</u>	<u>(140,018)</u>	<u>(140,017)</u>	<u>(2,475)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ (136,139)</u>	<u>\$ (136,140)</u>	<u>(49,974)</u>	<u>\$ (1)</u>	<u>\$ 86,166</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>136,140</u>		
FUND BALANCE, JUNE 30, 2006 (BUDGETARY BASIS)			86,166		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>44,023</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ 130,189</u>		

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - COPS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources:					
Interest income, local grants and other	\$ -	\$ 5,757	\$ 5,757	\$ 5,757	\$ -
TOTAL REVENUES	<u>-</u>	<u>5,757</u>	<u>5,757</u>	<u>5,757</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Library books	158	141	141	17	-
Audio visual materials	82	37	28	45	9
Buildings and fixed equipment	110,615	331,733	135,830	(221,118)	195,903
Furniture, fixtures and equipment	8,601	16,379	6,733	(7,778)	9,646
Land	11,962	11,962	11,360	-	602
Remodeling and renovations	12	5,581	2,150	(5,569)	3,431
Computer software	12,091	12,199	12,182	(108)	17
Debt service:					
Fiscal charges	-	5	2,044	(5)	(2,039)
TOTAL EXPENDITURES	<u>143,521</u>	<u>378,037</u>	<u>170,468</u>	<u>(234,516)</u>	<u>207,569</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(143,521)</u>	<u>(372,280)</u>	<u>(164,711)</u>	<u>(228,759)</u>	<u>207,569</u>
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt	-	224,165	224,165	224,165	-
Premium on issuance of long-term debt	-	5,698	5,698	5,698	-
Transfers out	-	(1,104)	(1,104)	(1,104)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>228,759</u>	<u>228,759</u>	<u>228,759</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (143,521)</u>	<u>\$ (143,521)</u>	<u>64,048</u>	<u>\$ -</u>	<u>\$ 207,569</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>143,521</u>		
FUND BALANCE, JUNE 30, 2006 (BUDGETARY BASIS)			207,569		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>59,721</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ 267,290</u>		

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - SALES TAX
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources:					
Sales tax	\$ 109,000	\$ 119,101	\$ 120,466	\$ 10,101	\$ 1,365
Interest income, local grants and other	-	9,000	9,000	9,000	-
TOTAL REVENUES	<u>109,000</u>	<u>128,101</u>	<u>129,466</u>	<u>19,101</u>	<u>1,365</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Library books	13	68	63	(55)	5
Buildings and fixed equipment	334,239	335,718	251,155	(1,479)	84,563
Furniture, fixtures and equipment	18,604	18,733	5,014	(129)	13,719
Land	21,993	16,993	10,402	5,000	6,591
Improvements other than buildings	4,230	4,180	300	50	3,880
Remodeling and renovations	6,357	8,357	2,933	(2,000)	5,424
Computer software	68	68	20	-	48
Debt service:					
Interest	-	7,500	7,495	(7,500)	5
Fiscal charges	5	12,965	1,178	(12,960)	11,787
TOTAL EXPENDITURES	<u>385,509</u>	<u>404,582</u>	<u>278,560</u>	<u>(19,073)</u>	<u>126,022</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(276,509)</u>	<u>(276,481)</u>	<u>(149,094)</u>	<u>28</u>	<u>127,387</u>
OTHER FINANCING SOURCES (USES):					
Proceeds of loans	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (26,509)</u>	<u>\$ (26,481)</u>	<u>(149,094)</u>	<u>\$ 28</u>	<u>\$ (122,613)</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>26,482</u>		
FUND BALANCE (DEFICIT), JUNE 30, 2006 (BUDGETARY BASIS)			<u>(122,612)</u>		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>74,925</u>		
FUND BALANCE (DEFICIT), JUNE 30, 2006 (GAAP BASIS)			<u>\$ (47,687)</u>		

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - OTHER CAPITAL PROJECTS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances -	
	Original	Final		Positive Original to Final	(Negative) Final to Actual
REVENUES					
Local sources:					
Interest income and other	\$ -	\$ 1,472	\$ 1,472	\$ 1,472	\$ -
Impact fees	22,000	28,063	28,063	6,063	-
Miscellaneous local sources	5,000	1,752	1,752	(3,248)	-
Total local sources	<u>27,000</u>	<u>31,287</u>	<u>31,287</u>	<u>4,287</u>	<u>-</u>
State sources:					
Class size reduction	5,543	5,543	5,543	-	-
Total state sources	<u>5,543</u>	<u>5,543</u>	<u>5,543</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>32,543</u>	<u>36,830</u>	<u>36,830</u>	<u>4,287</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Library books	201	197	446	4	(249)
Audio-visual materials	61	29	24	32	5
Buildings and fixed equipment	87,423	93,019	57,609	(5,596)	35,410
Furniture, fixtures and equipment	25,245	14,385	9,684	10,860	4,701
Motor vehicles	1,275	1,275	1,080	-	195
Land	5,629	2,771	646	2,858	2,125
Improvements other than buildings	973	4,392	3,770	(3,419)	622
Remodeling and renovations	11,765	32,308	18,556	(20,543)	13,752
Computer software	1,455	1,703	1,089	(248)	614
Debt service:					
Retirement of principal	902	902	902	-	-
Interest	11	11	11	-	-
TOTAL EXPENDITURES	<u>134,940</u>	<u>150,992</u>	<u>93,817</u>	<u>(16,052)</u>	<u>57,175</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(102,397)</u>	<u>(114,162)</u>	<u>(56,987)</u>	<u>(11,765)</u>	<u>57,175</u>
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt	-	6,475	-	\$ 6,475	(6,475)
Proceeds from insurance loss recoveries	10,283	13,525	15,139	3,242	1,614
Sale of capital assets and other	-	2,050	2,050	2,050	-
Transfers out	(3,304)	(3,304)	(3,304)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,979</u>	<u>18,746</u>	<u>13,885</u>	<u>11,767</u>	<u>(4,861)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (95,418)</u>	<u>\$ (95,416)</u>	<u>(43,102)</u>	<u>\$ 2</u>	<u>\$ 52,314</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>53,937</u>		
FUND BALANCE, JUNE 30, 2006 (BUDGETARY BASIS)			10,835		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			27,854		
Effort index revenue recognition adjustment			491		
Classrooms first revenue recognition adjustment			<u>17,898</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ 57,078</u>		

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
SPECIAL REVENUE FUND - FOOD SERVICE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual</u>
REVENUES:					
Local sources:					
Food service sales	\$ 23,223	\$ 23,056	\$ 23,056	\$ (167)	\$ -
Interest income and other	248	545	544	297	(1)
Miscellaneous local sources	396	444	444	48	-
Total local sources	<u>23,867</u>	<u>24,045</u>	<u>24,044</u>	<u>178</u>	<u>(1)</u>
State sources:					
School breakfast/lunch supplement	919	869	869	(50)	-
Miscellaneous state revenue	20	-	-	(20)	-
Total state sources	<u>939</u>	<u>869</u>	<u>869</u>	<u>(70)</u>	<u>-</u>
Federal sources:					
National school lunch act	32,005	32,311	32,311	306	-
Total federal sources	<u>32,005</u>	<u>32,311</u>	<u>32,311</u>	<u>306</u>	<u>-</u>
TOTAL REVENUES	<u>56,811</u>	<u>57,225</u>	<u>57,224</u>	<u>414</u>	<u>(1)</u>
EXPENDITURES:					
Food service:					
Salaries	16,696	18,063	17,865	(1,367)	198
Employee benefits	10,511	9,911	9,884	600	27
Purchased services	5,128	4,060	3,924	1,068	136
Energy services	601	1,001	911	(400)	90
Materials and supplies	22,320	22,564	22,418	(244)	146
Capital outlay	813	912	881	(99)	31
Other expenses	1,869	1,838	1,587	31	251
TOTAL EXPENDITURES	<u>57,938</u>	<u>58,349</u>	<u>57,470</u>	<u>(411)</u>	<u>879</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,127)</u>	<u>(1,124)</u>	<u>(246)</u>	<u>3</u>	<u>878</u>
OTHER FINANCING SOURCES (USES):					
Proceeds of loss recoveries	-	343	343	343	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>343</u>	<u>343</u>	<u>343</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,127)</u>	<u>\$ (781)</u>	<u>\$ 97</u>	<u>\$ 346</u>	<u>\$ 878</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>16,536</u>		
FUND BALANCE, JUNE 30, 2006 (BUDGETARY BASIS)			16,633		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			<u>406</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ 17,039</u>		

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
SPECIAL REVENUE FUNDS - OTHER SPECIAL REVENUE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Federal sources	\$ 148,510	\$ 139,210	\$ 108,885	\$ (9,300)	\$ (30,325)
State sources	2,226	4,920	3,797	2,694	(1,123)
Local sources	4,999	13,994	9,266	8,995	(4,728)
TOTAL REVENUES	<u>155,735</u>	<u>158,124</u>	<u>121,948</u>	<u>2,389</u>	<u>(36,176)</u>
EXPENDITURES:					
Instruction	62,547	69,095	53,943	(6,548)	15,152
Instructional support services	73,375	67,114	55,572	6,261	11,542
General administration	3,865	3,200	2,802	665	398
School administration	865	1,406	788	(541)	618
Facilities acquisition and construction	195	380	1,442	(185)	(1,062)
Fiscal services	106	156	98	(50)	58
Central services	2,713	733	388	1,980	345
Pupil transportation services	5,160	2,621	1,240	2,539	1,381
Operation of plant	3,694	3,939	1,989	(245)	1,950
Maintenance of plant	70	53	38	17	15
Community services	5,440	5,658	3,774	(218)	1,884
Capital outlay	-	4,859	3,112	(4,859)	1,747
TOTAL EXPENDITURES	<u>158,030</u>	<u>159,214</u>	<u>125,186</u>	<u>(1,184)</u>	<u>34,028</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,295)</u>	<u>\$ (1,090)</u>	(3,238)	<u>\$ 1,205</u>	<u>\$ (2,148)</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>2,295</u>		
FUND BALANCE , JUNE 30, 2006 (BUDGETARY BASIS)			(943)		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			<u>3,527</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ 2,584</u>		

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - SBE/COBI BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
State sources:					
CO & DS withheld for SBE/COBI bonds	\$ 5,875	\$ 5,773	\$ 5,815	\$ (102)	\$ 42
TOTAL REVENUES	<u>5,875</u>	<u>5,773</u>	<u>5,815</u>	<u>(102)</u>	<u>42</u>
EXPENDITURES:					
Debt service:					
Retirement of principal	3,605	3,605	3,620	-	(15)
Interest	2,270	2,270	1,309	-	961
Fiscal charges	-	-	14	-	(14)
TOTAL EXPENDITURES	<u>5,875</u>	<u>5,875</u>	<u>4,943</u>	<u>-</u>	<u>932</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(102)</u>	<u>872</u>	<u>(102)</u>	<u>974</u>
OTHER FINANCING SOURCES (USES):					
Issuance of long-term and refunded debt	-	-	2,675	-	2,675
Net premium (discount) from issuance of long-term and refunded debt	-	-	260	-	260
Payments to refunded debt escrow agent	-	-	(3,385)	-	(3,385)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(450)</u>	<u>-</u>	<u>(450)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (102)</u>	<u>\$ 422</u>	<u>\$ (102)</u>	<u>\$ 524</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>1,141</u>		
FUND BALANCE, JUNE 30, 2006 (BUDGETARY BASIS)			1,563		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ 1,563</u>		

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - DISTRICT BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local sources:					
District interest and sinking taxes	\$ 27,472	\$ 27,904	\$ 27,904	\$ 432	\$ -
Interest income and other	-	896	896	896	-
TOTAL REVENUES	<u>27,472</u>	<u>28,800</u>	<u>28,800</u>	<u>1,328</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Retirement of principal	25,280	25,280	25,280	-	-
Interest	3,229	3,229	3,229	-	-
Fiscal charges	2	546	546	(544)	-
TOTAL EXPENDITURES	<u>28,511</u>	<u>29,055</u>	<u>29,055</u>	<u>(544)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,039)</u>	<u>\$ (255)</u>	<u>\$ (255)</u>	<u>\$ 784</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>33,559</u>		
FUND BALANCE, JUNE 30, 2006 (BUDGETARY BASIS)			33,304		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ 33,304</u>		

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 CAPITAL PROJECTS FUNDS - COBI BONDS
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2006
 (amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:					
Facilities acquisitions and construction:					
Buildings and fixed equipment	9	9	9	-	-
TOTAL EXPENDITURES	9	9	9	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (9)</u>	<u>\$ (9)</u>	(9)	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			9		
FUND BALANCE, JUNE 30, 2006 (BUDGETARY BASIS)			-		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			-		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ -</u>		

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - PECO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
State sources:					
Public education capital outlay (PECO)	\$ 13,854	\$ 13,854	\$ 13,855	\$ -	\$ 1
TOTAL REVENUES	<u>13,854</u>	<u>13,854</u>	<u>13,855</u>	<u>-</u>	<u>1</u>
EXPENDITURES:					
Facilities acquisition and construction:					
Audio visual materials	9	9	9	-	-
Buildings and fixed equipment	6,778	6,778	6,778	-	-
Furniture, fixtures and equipment	7	7	7	-	-
Improvements other than buildings	410	892	705	(482)	187
Remodeling and renovations	12,996	12,513	7,241	483	5,272
TOTAL EXPENDITURES	<u>20,200</u>	<u>20,199</u>	<u>14,740</u>	<u>1</u>	<u>5,459</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>(6,346)</u>	<u>(6,345)</u>	<u>(885)</u>	<u>1</u>	<u>5,460</u>
OTHER FINANCING USES:					
Transfers to General fund	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,346)</u>	<u>\$ (7,345)</u>	<u>(1,885)</u>	<u>\$ 1</u>	<u>\$ 5,460</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>-</u>		
FUND BALANCE (DEFICIT), JUNE 30, 2006 (BUDGETARY BASIS)			<u>(1,885)</u>		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			3,132		
PECO revenue recognition adjustment			<u>(1,247)</u>		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ -</u>		

See accompanying independent auditors' report.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - CO & DS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual</u>
REVENUES					
State sources:					
Capital outlay and debt service	\$ 700	\$ 1,188	\$ 1,188	\$ 488	\$ -
Local sources:					
Interest income and other	-	9	9	9	-
TOTAL REVENUES	<u>700</u>	<u>1,197</u>	<u>1,197</u>	<u>497</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Buildings and fixed equipment	2,482	2,396	2,396	86	-
Remodeling and renovations	-	583	583	(583)	-
TOTAL EXPENDITURES	<u>2,482</u>	<u>2,979</u>	<u>2,979</u>	<u>(497)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,782)</u>	<u>\$ (1,782)</u>	(1,782)	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2005 (GAAP BASIS)			<u>1,782</u>		
FUND BALANCE, JUNE 30, 2006 (BUDGETARY BASIS)			-		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			-		
FUND BALANCE, JUNE 30, 2006 (GAAP BASIS)			<u>\$ -</u>		

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

<u>SCHOOL INTERNAL FUNDS</u>	<u>JUNE 30, 2005</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>JUNE 30, 2006</u>
<u>ASSETS</u>				
Cash, cash equivalents and investments	\$ 12,142	\$ 68,057	\$ 66,524	\$ 13,675
Accounts receivable	778	599	778	599
TOTAL ASSETS	\$ 12,920	\$ 68,656	\$ 67,302	\$ 14,274
<u>LIABILITIES</u>				
Accounts payable	\$ 26	\$ 69	\$ 26	\$ 69
Due to other funds	399	340	399	340
Due to student organizations	12,495	68,247	66,877	13,865
TOTAL LIABILITIES	\$ 12,920	\$ 68,656	\$ 67,302	\$ 14,274

See accompanying independent auditors' report.



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2006
(amounts expressed in thousands)

	ACADEMY FOR INT'L STUDIES	ACADEMY FOR POSITIVE LEARNING	BOCA RATON
ASSETS			
Cash, cash equivalents and investments	\$ 104	\$ 6	\$ (21)
Accounts receivable	-	-	-
Due from other agencies	-	-	-
Other assets	-	18	2
Capital assets:			
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Buildings and improvements	-	-	-
Furniture, fixtures and equipment	224	18	40
Motor vehicles	-	-	-
Audio/video materials and software	-	-	-
Less: accumulated depreciation	(39)	(3)	(1)
Total capital assets, net of depreciation	<u>185</u>	<u>15</u>	<u>39</u>
TOTAL ASSETS	<u>289</u>	<u>39</u>	<u>20</u>
LIABILITIES			
Accounts and contracts payable	-	-	5
Accrued payroll and payroll deductions	-	-	7
Deferred revenue	-	-	-
Noncurrent liabilities:			
Portion due or payable within one year:			
Notes payable	-	-	-
Obligations under capital leases	-	-	-
Liability for compensated absences	-	-	-
Portion due or payable after one year:			
Notes payable	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>12</u>
NET ASSETS			
Invested in capital assets, net of related debt	185	15	39
Restricted for:			
Capital projects	54	-	-
Other purposes	-	-	-
Unrestricted (deficit)	<u>50</u>	<u>24</u>	<u>(31)</u>
TOTAL NET ASSETS	<u>\$ 289</u>	<u>\$ 39</u>	<u>\$ 8</u>

BRIGHT FUTURES INTERNATIONAL	CHANCELLOR CHARTER SCHOOL OF LANTANA	CHARTER SCHOOL OF BOYNTON BEACH	DAYSTAR ACADEMY OF EXCELLENCE	DELRAY YOUTH VOCATIONAL CHARTER SCHOOL
\$ 918	\$ 26	\$ 12	\$ 1	\$ 83
-	2	-	67	2
-	63	-	-	-
-	28	-	-	4
-	-	-	-	-
-	189	-	-	-
153	32	90	-	1,245
35	24	76	185	59
6	-	-	-	-
-	14	-	-	37
(28)	(49)	(61)	(34)	(65)
<u>166</u>	<u>210</u>	<u>105</u>	<u>151</u>	<u>1,276</u>
<u>1,084</u>	<u>329</u>	<u>117</u>	<u>219</u>	<u>1,365</u>
20	10	-	7	54
4	143	-	71	-
-	-	-	-	-
-	32	1	-	31
-	-	-	24	-
-	-	-	-	-
<u>-</u>	<u>1,106</u>	<u>-</u>	<u>84</u>	<u>1,154</u>
<u>24</u>	<u>1,291</u>	<u>1</u>	<u>186</u>	<u>1,239</u>
166	210	105	151	91
-	-	-	-	-
-	-	-	-	-
<u>894</u>	<u>(1,172)</u>	<u>11</u>	<u>(118)</u>	<u>35</u>
<u>\$ 1,060</u>	<u>\$ (962)</u>	<u>\$ 116</u>	<u>\$ 33</u>	<u>\$ 126</u>

(continued)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2006

(amounts expressed in thousands)

	ED VENTURE CHARTER SCHOOL	EVERGLADES PREPARATORY ACADEMY	G-STAR SCHOOL OF THE ARTS
ASSETS			
Cash, cash equivalents and investments	\$ 958	\$ 243	\$ 1,419
Accounts receivable	50	55	28
Due from other agencies	5	-	-
Other assets	3	53	455
Capital assets:			
Construction in progress	-	-	-
Improvements other than buildings	17	-	1,000
Buildings and improvements	-	44	2,903
Furniture, fixtures and equipment	80	113	312
Motor vehicles	28	-	21
Audio/video materials and software	4	-	-
Less: accumulated depreciation	(82)	(50)	(219)
Total capital assets, net of depreciation	<u>47</u>	<u>107</u>	<u>4,017</u>
TOTAL ASSETS	<u>1,063</u>	<u>458</u>	<u>5,919</u>
LIABILITIES			
Accounts and contracts payable	49	-	44
Accrued payroll and payroll deductions	-	4	41
Deferred revenue	-	-	-
Noncurrent liabilities:			
Portion due or payable within one year:			
Notes payable	-	-	50
Obligations under capital leases	-	-	-
Liability for compensated absences	-	-	-
Portion due or payable after one year:			
Notes payable	-	-	4,905
TOTAL LIABILITIES	<u>49</u>	<u>4</u>	<u>5,040</u>
NET ASSETS			
Invested in capital assets, net of related debt	47	107	(938)
Restricted for:			
Capital projects	-	-	1,145
Other purposes	-	-	-
Unrestricted	<u>967</u>	<u>347</u>	<u>672</u>
TOTAL NET ASSETS	<u>\$ 1,014</u>	<u>\$ 454</u>	<u>\$ 879</u>

<u>GLADES ACADEMY</u>	<u>GOOD SCHOOLS FOR ALL LEADERSHIP</u>	<u>GUIDED PATH ACADEMY</u>	<u>GULFSTREAM GOODWILL CAREER ACADEMY</u>	<u>GULFSTREAM GOODWILL LIFE ACADEMY</u>
\$ 144	\$ 29	\$ 4	\$ 21	\$ 37
-	-	-	12	14
-	-	-	-	-
4	-	-	2	6
-	-	-	-	-
-	-	-	-	-
7	-	-	-	-
41	31	18	36	24
-	-	-	-	-
-	-	-	-	-
(15)	(6)	(2)	(7)	(3)
<u>33</u>	<u>25</u>	<u>16</u>	<u>29</u>	<u>21</u>
<u>181</u>	<u>54</u>	<u>20</u>	<u>64</u>	<u>78</u>
4	16	-	19	104
-	25	-	-	-
-	41	-	22	66
-	-	17	70	63
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4</u>	<u>82</u>	<u>17</u>	<u>111</u>	<u>233</u>
33	25	16	29	21
-	-	-	-	-
-	-	-	-	-
<u>144</u>	<u>(53)</u>	<u>(13)</u>	<u>(76)</u>	<u>(176)</u>
<u>\$ 177</u>	<u>\$ (28)</u>	<u>\$ 3</u>	<u>\$ (47)</u>	<u>\$ (155)</u>

(continued)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2006

(amounts expressed in thousands)

	GULFSTREAM GOODWILL TRANSITION ACADEMY	HOPE LEARNING COMMUNITY OF RIVIERA BEACH	THE IMAGINE SCHOOL
ASSETS			
Cash, cash equivalents and investments	\$ 25	\$ (15)	\$ (14)
Accounts receivable	59	6	14
Due from other agencies	-	-	-
Other assets	-	1	10
Capital assets:			
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Buildings and improvements	-	-	105
Furniture, fixtures and equipment	7	50	89
Motor vehicles	-	-	-
Audio/video materials and software	-	-	-
Less: accumulated depreciation	(1)	(23)	(41)
Total capital assets, net of depreciation	<u>6</u>	<u>27</u>	<u>153</u>
TOTAL ASSETS	<u>90</u>	<u>19</u>	<u>163</u>
LIABILITIES			
Accounts and contracts payable	145	2	66
Accrued payroll and payroll deductions	-	-	-
Deferred revenue	-	-	-
Noncurrent liabilities:			
Portion due or payable within one year:			
Notes payable	187	-	-
Obligations under capital leases	-	-	-
Liability for compensated absences	-	-	-
Portion due or payable after one year:			
Notes payable	-	42	-
TOTAL LIABILITIES	<u>332</u>	<u>44</u>	<u>66</u>
NET ASSETS			
Invested in capital assets, net of related debt	6	27	153
Restricted for:			
Capital projects	-	-	-
Other purposes	-	-	-
Unrestricted	<u>(248)</u>	<u>(52)</u>	<u>(56)</u>
TOTAL NET ASSETS	<u>\$ (242)</u>	<u>\$ (25)</u>	<u>\$ 97</u>

INLET GROVE	JFK MEDICAL CENTER CHARTER SCHOOL	JOSEPH LITTLES-NGUZO SABA CHARTER SCHOOL	LAKESIDE ACADEMY CHARTER SCHOOL	LEADERSHIP ACADEMY WEST
\$ 1,235	\$ 216	\$ 19	\$ 340	\$ 1
57	33	11	-	-
-	-	-	61	-
-	-	12	-	10
-	-	-	-	-
-	-	-	-	-
-	-	61	-	-
174	478	271	99	64
-	-	17	-	-
23	-	40	-	-
(17)	(290)	(157)	(89)	(9)
180	188	232	10	55
1,472	437	274	411	66
-	249	-	13	92
21	-	44	-	-
-	-	-	-	-
-	-	93	-	16
-	-	-	-	-
59	-	-	-	-
-	-	141	-	-
80	249	278	13	108
180	188	232	10	55
-	-	-	154	-
-	-	-	-	-
1,212	-	(236)	234	(97)
\$ 1,392	\$ 188	\$ (4)	\$ 398	\$ (42)

(continued)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2006
(amounts expressed in thousands)

	LIFE SKILLS CENTER PALM BEACH	MONTESSORI OF EARLY ENRICHMENT	MONTESSORI OF NORTHERN PALM BEACH
ASSETS			
Cash, cash equivalents and investments	\$ 56	\$ 1	\$ 78
Accounts receivable	157	8	13
Due from other agencies	-	-	-
Other assets	-	4	5
Capital assets:			
Construction in progress	-	-	-
Improvements other than buildings	-	9	-
Buildings and improvements	-	33	149
Furniture, fixtures and equipment	9	29	59
Motor vehicles	-	-	-
Audio/video materials and software	200	-	-
Less: accumulated depreciation	(14)	(10)	(6)
Total capital assets, net of depreciation	<u>195</u>	<u>61</u>	<u>202</u>
TOTAL ASSETS	<u>408</u>	<u>74</u>	<u>298</u>
LIABILITIES			
Accounts and contracts payable	205	25	167
Accrued payroll and payroll deductions	-	-	-
Deferred revenue	-	-	-
Noncurrent liabilities:			
Portion due or payable within one year:			
Notes payable	-	65	-
Obligations under capital leases	-	-	-
Liability for compensated absences	-	-	-
Portion due or payable after one year:			
Notes payable	-	-	-
TOTAL LIABILITIES	<u>205</u>	<u>90</u>	<u>167</u>
NET ASSETS			
Invested in capital assets, net of related debt	195	61	202
Restricted for:			
Capital projects	-	-	-
Other purposes	1	-	-
Unrestricted (deficit)	<u>7</u>	<u>(77)</u>	<u>(71)</u>
TOTAL NET ASSETS	<u>\$ 203</u>	<u>\$ (16)</u>	<u>\$ 131</u>

See accompanying independent auditors' report.

PALM BEACH SCHOOL FOR AUTISM, INC.	RENAISSANCE LEARNING CENTER	SOUTH TECH CHARTER ACADEMY	TOUSSAINT L'OUVERTURE CHARTER SCHOOL	WESTERN ACADEMY CHARTER SCHOOL	TOTAL
\$ 126	\$ 17	\$ 2,747	\$ (25)	\$ 351	\$ 9,142
25	-	552	19	10	1,194
-	-	-	-	-	129
3	4	9	23	12	668
-	-	-	-	-	-
-	72	7	-	-	1,294
-	7	-	33	240	5,102
111	49	180	43	149	3,177
-	30	-	4	-	106
-	15	41	-	-	374
(43)	(52)	(33)	(28)	(56)	(1,533)
68	121	195	52	333	8,520
222	142	3,503	69	706	19,653
9	29	596	129	13	2,072
-	-	-	-	-	360
-	-	2	-	-	131
-	-	-	9	-	634
-	-	-	-	-	24
-	-	115	-	-	174
-	-	-	-	-	7,432
9	29	713	138	13	10,827
68	121	195	52	333	2,380
-	-	-	-	-	1,353
-	-	177	-	-	178
145	(8)	2,418	(121)	360	4,915
\$ 213	\$ 113	\$ 2,790	\$ (69)	\$ 693	\$ 8,826

(concluded)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING SCHEDULE OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	ACADEMY FOR INT'L STUDIES	ACADEMY FOR POSITIVE LEARNING	BOCA RATON
EXPENSES:			
Instruction	\$ 207	\$ 386	\$ 168
Instructional Support Services	15	18	10
Board	20	1	13
General Administration	-	-	-
School Administration	45	170	65
Facilities Acquisition and Construction	-	-	99
Fiscal Services	5	20	-
Food Services	-	-	-
Central Services	-	-	54
Pupil Transportation Services	6	-	-
Operation of Plant	18	102	33
Maintenance of Plant	-	-	15
Community Services	-	-	33
Interest on Long-Term Debt	-	-	-
Unallocated Depreciation Expense	-	-	-
TOTAL EXPENSES	<u>316</u>	<u>697</u>	<u>490</u>
PROGRAM REVENUES:			
Charges for services	-	-	13
Operating grants and contributions	335	74	164
Capital grants and contributions	-	-	-
TOTAL PROGRAM REVENUES	<u>335</u>	<u>74</u>	<u>177</u>
NET PROGRAM EXPENSE	<u>19</u>	<u>(623)</u>	<u>(313)</u>
GENERAL REVENUES:			
Grants and entitlements not restricted to specific programs	208	547	319
Investment earnings	-	-	2
Miscellaneous	18	38	-
TOTAL GENERAL REVENUES	<u>226</u>	<u>585</u>	<u>321</u>
CHANGE IN NET ASSETS	245	(38)	8
NET ASSETS (Deficit) - Beginning of year	<u>44</u>	<u>77</u>	<u>-</u>
NET ASSETS (Deficit) - End of year	<u>\$ 289</u>	<u>\$ 39</u>	<u>\$ 8</u>

BRIGHT FUTURES INTERNATIONAL	CHANCELLOR CHARTER SCHOOL OF LANTANA	CHARTER SCHOOL OF BOYNTON BEACH	DAYSTAR ACADEMY OF EXCELLENCE	DELRAY YOUTH VOCATIONAL CHARTER SCHOOL
\$ 981	\$ 1,366	\$ 548	\$ 631	\$ 132
3	160	5	12	10
22	26	-	-	-
-	-	1	173	20
145	801	231	-	147
-	-	168	-	12
31	-	7	-	25
-	1	-	-	4
2	3	-	-	-
12	-	38	79	-
176	776	74	110	92
-	52	22	-	5
55	95	9	-	-
-	-	-	-	84
-	-	-	-	-
<u>1,427</u>	<u>3,280</u>	<u>1,103</u>	<u>1,005</u>	<u>531</u>
80	175	21	-	7
40	62	67	-	-
60	195	-	-	34
<u>180</u>	<u>432</u>	<u>88</u>	<u>-</u>	<u>41</u>
<u>(1,247)</u>	<u>(2,848)</u>	<u>(1,015)</u>	<u>(1,005)</u>	<u>(490)</u>
1,416	2,993	975	1,008	462
19	-	1	-	-
56	270	57	-	-
<u>1,491</u>	<u>3,263</u>	<u>1,033</u>	<u>1,008</u>	<u>462</u>
244	415	18	3	(28)
816	(1,377)	98	30	154
<u>\$ 1,060</u>	<u>\$ (962)</u>	<u>\$ 116</u>	<u>\$ 33</u>	<u>\$ 126</u>

(continued)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING SCHEDULE OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	ED VENTURE CHARTER SCHOOL	EVERGLADES PREPARATORY ACADEMY	G-STAR SCHOOL OF THE ARTS
EXPENSES:			
Instruction	\$ 735	\$ 576	\$ 1,495
Instructional Support Services	5	13	206
Board	-	-	-
General Administration	49	48	-
School Administration	90	233	767
Facilities Acquisition and Construction	2	48	241
Fiscal Services	99	20	67
Food Services	29	2	-
Central Services	-	-	-
Pupil Transportation Services	1	-	121
Operation of Plant	64	53	369
Maintenance of Plant	41	19	-
Community Services	-	-	-
Interest on Long-Term Debt	-	-	143
Unallocated Depreciation Expense	-	14	-
TOTAL EXPENSES	<u>1115</u>	<u>1,026</u>	<u>3,409</u>
PROGRAM REVENUES:			
Charges for services	-	-	46
Operating grants and contributions	105	83	46
Capital grants and contributions	-	56	342
TOTAL PROGRAM REVENUES	<u>105</u>	<u>139</u>	<u>434</u>
NET PROGRAM EXPENSE	<u>(1,010)</u>	<u>(887)</u>	<u>(2,975)</u>
GENERAL REVENUES:			
Grants and entitlements not restricted to specific programs	1,013	932	3063
Investment earnings	29	2	32
Miscellaneous	(68)	-	119
TOTAL GENERAL REVENUES	<u>974</u>	<u>934</u>	<u>3,214</u>
CHANGE IN NET ASSETS	(36)	47	239
NET ASSETS (Deficit) - Beginning of year	<u>1,050</u>	<u>407</u>	<u>640</u>
NET ASSETS (Deficit) - End of year	<u>\$ 1,014</u>	<u>\$ 454</u>	<u>\$ 879</u>

GLADES ACADEMY	GOOD SCHOOLS FOR ALL LEADERSHIP	GUIDED PATH ACADEMY	GULFSTREAM GOODWILL CAREER ACADEMY	GULFSTREAM GOODWILL LIFE ACADEMY
\$ 355	\$ 302	\$ 197	\$ 207	\$ 208
19	21	11	6	-
42	67	-	55	52
-	-	-	-	-
175	133	136	108	143
33	21	-	59	60
21	20	19	18	9
-	-	-	-	-
-	-	-	-	-
9	-	-	-	-
24	3	58	28	6
4	7	-	6	7
-	-	-	-	-
-	-	-	-	-
4	-	-	-	-
<u>686</u>	<u>574</u>	<u>421</u>	<u>487</u>	<u>485</u>
-	-	-	-	-
56	64	50	41	159
19	-	-	31	-
<u>75</u>	<u>64</u>	<u>50</u>	<u>72</u>	<u>159</u>
<u>(611)</u>	<u>(510)</u>	<u>(371)</u>	<u>(415)</u>	<u>(326)</u>
704	478	299	396	171
-	-	-	-	-
-	2	51	-	-
<u>704</u>	<u>480</u>	<u>350</u>	<u>396</u>	<u>171</u>
93	(30)	(21)	(19)	(155)
84	2	24	(28)	-
<u>\$ 177</u>	<u>\$ (28)</u>	<u>\$ 3</u>	<u>\$ (47)</u>	<u>\$ (155)</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING SCHEDULE OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)

	GULFSTREAM GOODWILL TRANSITION ACADEMY	HOPE LEARNING COMMUNITY OF RIVIERA BEACH	THE IMAGINE SCHOOL
EXPENSES:			
Instruction	\$ 314	\$ 224	\$ 417
Instructional Support Services	-	1	23
Board	89	8	2
General Administration	-	-	43
School Administration	137	95	204
Facilities Acquisition and Construction	75	-	263
Fiscal Services	10	6	13
Food Services	-	-	3
Central Services	-	-	-
Pupil Transportation Services	-	-	3
Operation of Plant	9	-	76
Maintenance of Plant	2	44	12
Community Services	-	-	-
Interest on Long-Term Debt	-	-	-
Unallocated Depreciation Expense	-	-	-
TOTAL EXPENSES	<u>636</u>	<u>378</u>	<u>1,059</u>
PROGRAM REVENUES:			
Charges for services	-	-	-
Operating grants and contributions	198	28	63
Capital grants and contributions	-	21	60
TOTAL PROGRAM REVENUES	<u>198</u>	<u>49</u>	<u>123</u>
NET PROGRAM EXPENSE	<u>(438)</u>	<u>(329)</u>	<u>(936)</u>
GENERAL REVENUES:			
Grants and entitlements not restricted to specific programs	192	311	898
Investment earnings	2	-	-
Miscellaneous	2	-	-
TOTAL GENERAL REVENUES	<u>196</u>	<u>311</u>	<u>898</u>
CHANGE IN NET ASSETS	(242)	(18)	(38)
NET ASSETS (Deficit) - Beginning of year	<u>-</u>	<u>(7)</u>	<u>135</u>
NET ASSETS (Deficit) - End of year	<u>\$ (242)</u>	<u>\$ (25)</u>	<u>\$ 97</u>

INLET GROVE	JFK MEDICAL CENTER CHARTER SCHOOL	JOSEPH LITTLES-NGUZO SABA CHARTER SCHOOL	LAKESIDE ACADEMY CHARTER SCHOOL	LEADERSHIP ACADEMY WEST
\$ 2,814	\$ 1,445	\$ 485	\$ 206	\$ 313
207	-	50	22	3
9	-	-	-	-
47	246	-	-	-
723	224	284	203	188
-	-	178	-	-
-	480	19	8	7
-	-	2	-	-
-	315	-	-	-
3	29	38	1	35
403	566	72	68	174
16	-	17	21	-
-	-	-	-	-
-	-	10	-	-
-	-	35	-	-
<u>4,222</u>	<u>3,305</u>	<u>1,190</u>	<u>529</u>	<u>720</u>
-	-	10	2	-
274	-	149	43	186
-	-	61	-	-
<u>274</u>	<u>0</u>	<u>220</u>	<u>45</u>	<u>186</u>
<u>(3,948)</u>	<u>(3,305)</u>	<u>(970)</u>	<u>(484)</u>	<u>(534)</u>
4,021	2,367	935	401	444
30	-	-	6	-
<u>416</u>	<u>827</u>	<u>-</u>	<u>-</u>	<u>48</u>
<u>4,467</u>	<u>3,194</u>	<u>935</u>	<u>407</u>	<u>492</u>
519	(111)	(35)	(77)	(42)
<u>873</u>	<u>299</u>	<u>31</u>	<u>475</u>	<u>-</u>
<u>\$ 1,392</u>	<u>\$ 188</u>	<u>\$ (4)</u>	<u>\$ 398</u>	<u>\$ (42)</u>

(continued)

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING SCHEDULE OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2006
(amounts expressed in thousands)**

	LIFE SKILLS CENTER PALM BEACH	MONTESSORI OF EARLY ENRICHMENT	MONTESSORI OF NORTHERN PALM BEACH
EXPENSES:			
Instruction	\$ 647	\$ 90	\$ 195
Instructional Support Services	121	24	-
Board	10	5	-
General Administration	1	9	16
School Administration	456	116	91
Facilities Acquisition and Construction	234	57	-
Fiscal Services	-	21	16
Food Services	-	-	-
Central Services	-	-	-
Pupil Transportation Services	-	-	-
Operation of Plant	99	24	41
Maintenance of Plant	75	4	18
Community Services	-	-	-
Interest on Long-Term Debt	-	-	-
Unallocated Depreciation Expense	-	10	6
TOTAL EXPENSES	<u>1,643</u>	<u>360</u>	<u>383</u>
PROGRAM REVENUES:			
Charges for services	-	-	-
Operating grants and contributions	9	171	167
Capital grants and contributions	-	-	-
TOTAL PROGRAM REVENUES	<u>9</u>	<u>171</u>	<u>167</u>
NET PROGRAM EXPENSE	<u>(1,634)</u>	<u>(189)</u>	<u>(216)</u>
GENERAL REVENUES:			
Grants and entitlements not restricted to specific programs	902	170	347
Investment earnings	-	3	-
Miscellaneous	935	-	-
TOTAL GENERAL REVENUES	<u>1,837</u>	<u>173</u>	<u>347</u>
CHANGE IN NET ASSETS	203	(16)	131
NET ASSETS (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS (Deficit) - End of year	<u>\$ 203</u>	<u>\$ (16)</u>	<u>\$ 131</u>

See accompanying independent auditors' report.

PALM BEACH SCHOOL FOR AUTISM, INC.	RENAISSANCE LEARNING CENTER	SOUTH TECH CHARTER ACADEMY	TOUSSAINT L'OUVERTURE CHARTER SCHOOL	WESTERN ACADEMY CHARTER SCHOOL	TOTAL
\$ 429	\$ 962	\$ 6,562	\$ 662	\$ 795	\$ 25,054
13	67	1,110	13	199	2,367
8	5	73	-	9	516
-	-	274	3	-	930
183	177	792	250	192	7,704
-	-	-	1	0	1,551
16	13	331	8	3	1,312
-	-	220	-	-	261
18	-	416	-	-	808
3	43	408	-	-	829
17	183	474	285	191	4,668
-	-	270	28	103	788
-	72	-	-	22	286
-	-	-	-	-	237
-	-	-	6	-	75
<u>687</u>	<u>1,522</u>	<u>10,930</u>	<u>1,256</u>	<u>1,514</u>	<u>47,386</u>
-	54	-	-	-	408
3	98	1,789	45	75	4,644
-	19	-	196	100	1,194
<u>3</u>	<u>171</u>	<u>1,789</u>	<u>241</u>	<u>175</u>	<u>6,246</u>
<u>(684)</u>	<u>(1,351)</u>	<u>(9,141)</u>	<u>(1,015)</u>	<u>(1,339)</u>	<u>(41,140)</u>
577	1,361	9,172	964	1,651	39,697
4	-	-	(250)	1	(119)
35	-	1,074	-	-	3,880
<u>616</u>	<u>1,361</u>	<u>10,246</u>	<u>714</u>	<u>1,652</u>	<u>43,458</u>
(68)	10	1,105	(301)	313	2,318
281	103	1,685	232	380	6,508
<u>\$ 213</u>	<u>\$ 113</u>	<u>\$ 2,790</u>	<u>\$ (69)</u>	<u>\$ 693</u>	<u>\$ 8,826</u>

(concluded)





Other Supplementary Information Section

OTHER SUPPLEMENTARY INFORMATION



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
LONG-TERM LIABILITIES
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
BONDS AND LEASE PAYABLE AND
OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS (UNAUDITED)
JUNE 30, 2006 (UNAUDITED)
 (amounts expressed in thousands)

YEAR ENDED JUNE 30	STATE BOARD OF EDUCATION CAPITAL OUTLAY BOND ISSUES		GENERAL OBLIGATION BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2007	\$ 3,800	\$ 1,425	\$ 26,510	\$ 2,007
2008	2,775	1,255	27,765	694
2009	2,970	1,173		
2010	3,175	1,087	-	-
2011	3,405	981	-	-
2012-2016	19,480	3,140	-	-
2017-2021	5,330	887	-	-
2022-2026	1,445	89	-	-
2027-2031	-	-	-	-
2032-2037	-	-	-	-
Total	\$ 42,380	\$ 10,037	\$ 54,275	\$ 2,701

See accompanying independent auditors' report.

OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS CERTIFICATES OF PARTICIPATION			TOTAL		TOTAL PRINCIPAL AND INTEREST
PRINCIPAL	INTEREST	PRINCIPAL	INTEREST		INTEREST
\$ 37,605	\$ 68,815	\$ 67,915	\$ 72,247	\$	140,162
45,820	70,582	76,360	72,531		148,891
47,630	68,781	50,600	69,954		120,554
49,615	66,856	52,790	67,943		120,733
51,560	64,837	54,965	65,818		120,783
245,870	291,675	265,350	294,815		560,165
304,698	224,665	310,028	225,552		535,580
378,495	142,477	379,940	142,566		522,506
389,380	41,852	389,380	41,852		431,232
14,700	367	14,700	367		15,067
<u>\$ 1,565,373</u>	<u>\$ 1,040,907</u>	<u>\$ 1,662,028</u>	<u>\$ 1,053,645</u>	<u>\$</u>	<u>2,715,673</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
LONG-TERM LIABILITIES
SCHEDULE OF BONDS AND LEASE PAYABLE AND
OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS (UNAUDITED)
JUNE 30, 2006 (UNAUDITED)
(amounts expressed in thousands)

DESCRIPTION	DATE OF ISSUE	AMOUNT ISSUED	INTEREST RATES FOR DEBT OUTSTANDING	FINAL MATURITY DATE
STATE BOARD OF EDUCATION				
CAPITAL OUTLAY BOND ISSUES (COBI):				
COBI 1994-A	1-1-1994	\$ 5,950	4.00% to 5.750%	1-1-2014
COBI 1995-A	1-1-1995	4,160	5.00% to 5.900%	1-1-2015
COBI 1996-A	2-1-1996	25,000	4.75% to 6.000%	1-1-2016
COBI 1997-A	2-1-1997	6,800	4.10% to 5.000%	1-1-2017
COBI 1998-A	2-1-1998	2,510	4.00% to 5.500%	1-1-2018
COBI 1999-A	3-1-1999	2,650	4.00% to 4.750%	1-1-2019
COBI 2000-A	3-16-2000	1,650	4.625% to 6.00%	1-1-2020
COBI 2001-B	7-1-2001	7,950	3.50% to 5.00%	1-1-2007
COBI 2002-A	4-15-2002	2,845	3.00% to 5.00%	1-1-2022
COBI 2002-B	7-15-2002	6,815	3.75% to 5.375%	1-1-2015
COBI 2003-A	7-15-2003	6,050	3.00% to 5.00%	1-1-2023
COBI 2005-A	5-1-2005	21,200	3.00% to 5.00%	1-1-2017
COBI 2005-B	7-1-2005	2,675	3.50% to 5.00%	1-1-2020
TOTAL COBI		<u>96,255</u>		
GENERAL OBLIGATION BONDS:				
Serial Bonds - Series 2002	5-7-2002	98,490	5.00%	8-1-2007
Serial Bonds - Series 2002A	5-16-2002	28,200	3.50% to 5.00%	8-1-2007
TOTAL GENERAL OBLIGATION BONDS		<u>126,690</u>		
TOTAL BONDS PAYABLE		<u>\$ 222,945</u>		
LEASE PAYABLE	5-12-2003	<u>\$ 2,878</u>	2.35%	5-12-2006
OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS:				
Certificates of participation Series 1994A	11-1-1994	\$ 62,095	4.50% to 6.375%	8-1-2015
Certificates of participation Series 1995A	6-1-1995	133,600	3.75% to 6.000%	8-1-2015
Certificates of participation Series 1996A	5-1-1996	32,155	3.75% to 5.500%	8-1-2016
Certificates of participation Series 1997A	9-1-1997	47,145	3.75% to 5.250%	8-1-2015
Certificates of participation Series 2001A	4-1-2001	135,500	3.00% to 5.500%	8-1-2026
Certificates of participation Series 2001B	7-24-2001	169,445	2.70% to 5.375%	8-1-2025
Certificates of participation Series 2002A	2-1-2002	115,250	2.50% to 5.375%	8-1-2018
Certificates of participation Series 2002B	3-21-2002	115,350	Variable. Est. 4.53%	8-1-2027
Certificates of participation Series 2002C	5-15-2002	161,090	2.40% to 5.50%	8-1-2027
Certificates of participation Series 2002 qualified zone academy bonds	6-11-2002	950	-	7-11-2016
Certificates of participation Series 2002D	12-1-2002	191,215	2.00% to 5.25%	8-1-2028
Certificates of participation Series 2002E	9-1-2002	93,350	4.00% to 5.375%	8-1-2016
Certificates of participation Series 2003A	6-26-2003	60,865	2.00% to 5.00%	8-2-2021
Certificates of participation Series 2003B	6-26-2003	124,295	Variable. Est. 3.91%	8-1-2029
Certificates of participation Series 2004A	4-8-2004	103,575	2.00% to 5.00%	8-1-2029
Certificates of participation Series 2004 qualified zone academy bonds	4-30-2004	2,923	-	5-4-2020
Certificates of participation Series 2005A	3-22-2005	124,630	3.00% to 5.00%	8-1-2022
Certificates of participation Series 2005B	6-7-2005	38,505	3.00% to 5.00%	8-1-2010
Certificates of participation Series 2005 qualified zone academy bonds	12-15-05	2,150	-	12-15-2020
Certificates of participation Series 2006A	5-25-06	222,015	3.625% to 5.00%	8-1-2031
TOTAL OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS		<u>\$ 1,874,008</u>		

See accompanying independent auditors' report.

DEBT OUTSTANDING JUNE 30, 2005	DEBT ISSUED FY 05-06	DEBT MATURED FY 05-06	DEBT REFUNDED FY 05-06	DEBT OUTSTANDING JUNE 30, 2006
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
2,170	-	915	1,255	-
435	-	215	-	220
1,970	-	100	1,655	215
2,180	-	90	-	2,090
1,410	-	50	1,085	275
3,125	-	1,510	-	1,615
2,580	-	75	-	2,505
6,435	-	520	-	5,915
5,815	-	130	-	5,685
21,200	-	-	-	21,200
-	2,675	15	-	2,660
<u>47,320</u>	<u>2,675</u>	<u>3,620</u>	<u>3,995</u>	<u>42,380</u>
61,950	-	19,650	-	42,300
17,605	-	5,630	-	11,975
<u>79,555</u>	<u>-</u>	<u>25,280</u>	<u>-</u>	<u>54,275</u>
<u>\$ 126,875</u>	<u>\$ 2,675</u>	<u>\$ 28,900</u>	<u>\$ 3,995</u>	<u>\$ 96,655</u>
<u>\$ 901</u>	<u>\$ -</u>	<u>\$ 901</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
89,035	-	6,115	76,440.00	6,480
23,045	-	1,430	-	21,615
44,555	-	3,185	-	41,370
82,740	-	1,995	-	80,745
168,015	-	565	-	167,450
74,910	-	5,840	-	69,070
115,350	-	-	-	115,350
134,930	-	1,495	-	133,435
950	-	-	-	950
167,195	-	2,975	-	164,220
93,350	-	-	-	93,350
58,705	-	2,885	-	55,820
124,295	-	-	-	124,295
103,575	-	2,575	-	101,000
2,923	-	-	-	2,923
124,630.00	-	-	-	124,630
38,505.00	-	-	-	38,505
-	2,150	-	-	2,150
-	222,015	-	-	222,015
<u>\$ 1,446,708</u>	<u>\$ 224,165</u>	<u>\$ 29,060</u>	<u>\$ 76,440</u>	<u>\$ 1,565,373</u>





Statistical Section

STATISTICAL SECTION

This part of The School District of Palm Beach County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the district's overall financial position.

CONTENTS

Financial Trends

These schedules contain trend information to assist the reader in understanding how the District's financial position has changed over time.

Revenue Capacity

These schedules contain information to assist the reader assess the District's major revenue sources.

Debt Capacity

These schedules present information to assist the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

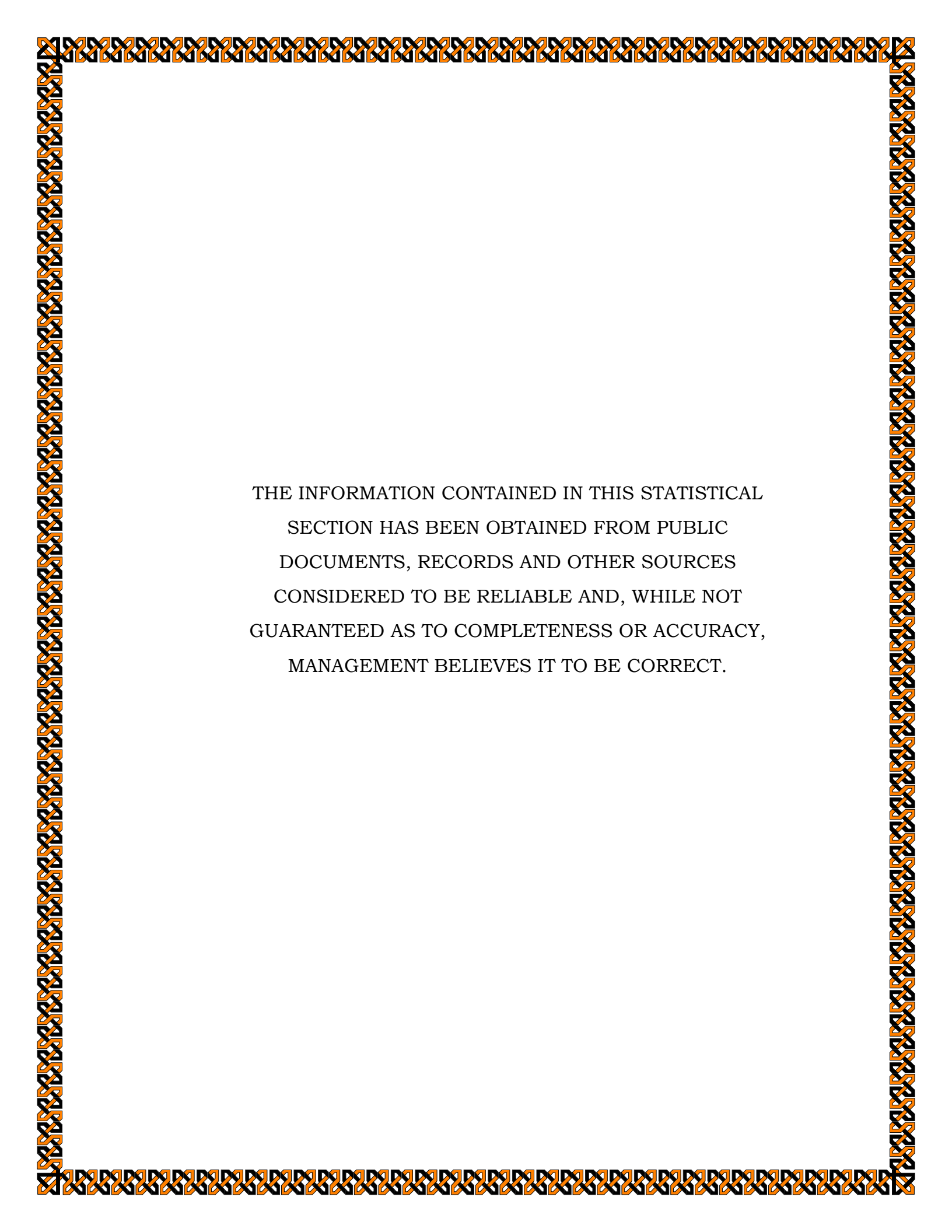
Demographic and Economic Information

These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to assist the reader understand how the information in the District's financial report relates to the service the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from comprehensive annual financial reports for the relevant year. The District implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.



THE INFORMATION CONTAINED IN THIS STATISTICAL
SECTION HAS BEEN OBTAINED FROM PUBLIC
DOCUMENTS, RECORDS AND OTHER SOURCES
CONSIDERED TO BE RELIABLE AND, WHILE NOT
GUARANTEED AS TO COMPLETENESS OR ACCURACY,
MANAGEMENT BELIEVES IT TO BE CORRECT.



**NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net Asset components					
Primary Government					
Invested in capital assets, net of related debt	\$ 967,285	\$ 893,958	\$ 956,117	\$ 1,046,339	\$ 1,412,258
Restricted	248,461	384,588	382,193	439,242	317,225
Unrestricted (deficit)	<u>(76,619)</u>	<u>(92,807)</u>	<u>(90,987)</u>	<u>(98,362)</u>	<u>(119,420)</u>
Total primary government net assets	<u>\$ 1,139,127</u>	<u>\$ 1,185,739</u>	<u>\$ 1,247,323</u>	<u>\$ 1,387,219</u>	<u>\$ 1,610,063</u>

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



**EXPENSES, PROGRAM REVENUES AND NET (EXPENSE)/REVENUE
LAST FIVE FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

	<u>Fiscal Year</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Primary Government					
Expenditures					
Instruction	\$ 636,940	\$ 672,512	\$ 722,279	\$ 785,824	\$ 854,689
Instructional support services	118,062	129,368	139,502	146,909	158,704
Board	3,383	4,740	4,054	4,202	5,309
General administration	9,083	9,502	8,946	8,777	9,400
School administration	58,823	74,526	81,102	87,776	90,685
Facilities acquisition and construction	56,996	50,226	55,356	41,988	85,528
Fiscal services	4,136	4,641	4,573	4,479	4,264
Food services	48,306	47,095	53,253	55,939	57,339
Central services	14,979	19,910	19,836	21,299	12,675
Pupil transportation services	31,171	32,792	36,111	41,167	45,420
Operation of plant	91,322	95,105	102,042	110,007	123,876
Maintenance of plant	19,436	29,950	32,119	45,152	43,678
Administrative technology services	-	-	-	-	5,228
Community services	57,946	20,994	22,841	23,180	25,328
Interest on long-term debt	40,505	59,695	69,690	76,796	76,875
Depreciation expense	57,393	61,468	66,875	76,288	81,467
Amortization expense	3,040	821	1,226	2,040	1,459
Total Expenditures	<u>\$ 1,251,521</u>	<u>\$ 1,313,345</u>	<u>\$ 1,419,805</u>	<u>\$ 1,531,823</u>	<u>\$ 1,681,924</u>
Program Revenues					
Governmental activities					
Charges for services					
Instruction	\$ 1,775	\$ 1,673	\$ 1,609	\$ 1,383	1,477
Food	18,973	20,370	21,889	22,174	23,449
Pupil transportation	680	671	1,223	1,592	1,619
Community	15,591	15,660	17,383	17,105	19,385
Operating grants and contributions	93,401	67,171	101,590	137,305	171,829
Capital grants and contributions	52,762	56,889	47,281	61,456	49,026
Total Program Revenues	<u>\$ 183,182</u>	<u>\$ 162,434</u>	<u>\$ 190,975</u>	<u>\$ 241,015</u>	<u>\$ 266,785</u>
Net (Expense)/Revenue	<u>\$ (1,068,339)</u>	<u>\$ (1,150,911)</u>	<u>\$ (1,228,830)</u>	<u>\$ (1,290,808)</u>	<u>\$ (1,415,139)</u>

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

Note: Other includes community services, capital outlay and debt services.



**GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Primary Government					
Net (Expense)/Revenue	\$ (1,068,339)	\$ (1,150,911)	\$ (1,228,830)	\$ (1,290,808)	\$ (1,415,139)
General Revenue and other					
Changes in Net Assets					
Taxes					
Property taxes, levied for general purposes	\$ 503,198	\$ 546,624	\$ 594,380	\$ 662,248	739,700
Property taxes, levied for debt service	30,828	29,948	30,438	29,478	27,862
Property taxes, levied for capital projects	153,724	170,094	190,149	215,073	251,074
Local sales taxes	-	-	-	54,000	120,466
Grants and entitlements not restricted to specific purposes	389,323	423,435	439,979	421,907	410,636
Investment earnings	24,580	22,794	17,465	22,117	39,849
Miscellaneous	34,973	16,903	18,003	25,881	48,396
Special items: loss on disposal of capital assets	(7,228)	(12,275)	-	-	-
Total primary government	<u>\$ 1,129,398</u>	<u>\$ 1,197,523</u>	<u>\$ 1,290,414</u>	<u>\$ 1,430,704</u>	<u>\$ 1,637,983</u>
Change in Net Assets	<u>\$ 61,059</u>	<u>\$ 46,612</u>	<u>\$ 61,584</u>	<u>\$ 139,896</u>	<u>\$ 222,844</u>

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

Note: Other includes community services, capital outlay and debt services.



**FUND BALANCES, GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS (UNAUDITED)
(modified accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Reserved	\$ 53,361	\$ 20,946	\$ 21,208	\$ 24,324	\$ 24,716
Unreserved	35,242	61,287	67,916	69,311	72,089
Total general fund	<u>\$ 88,603</u>	<u>\$ 82,233</u>	<u>\$ 89,124</u>	<u>\$ 93,635</u>	<u>\$ 96,805</u>
All Other Governments Funds					
Reserved	\$ 319,556	\$ 442,971	\$ 456,516	\$ 447,876	\$ 359,242
Unreserved, reported in:					
Special revenue funds	-	1,461	12,199	12,730	14,006
Capital projects funds	377,773	452,405	234,293	115,926	182,976
Undesignated	(22,370)	-	-	-	-
Total all other governmental funds	<u>\$ 674,959</u>	<u>\$ 896,837</u>	<u>\$ 703,008</u>	<u>\$ 576,532</u>	<u>\$ 556,224</u>



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

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
REVENUES:					
Local sources:					
Ad valorem taxes	\$ 687,750	\$ 746,666	\$ 814,967	\$ 906,799	\$ 1,018,633
Sales tax	-	-	-	54,000	120,466
Impact fees	13,500	-	22,510	22,800	28,063
Interest income and other	24,561	22,764	17,424	22,073	39,752
School age child care fees	-	-	16,964	17,105	18,763
Food service sales	18,649	19,993	21,497	21,773	23,056
Local grants and other	40,619	35,878	27,340	28,465	31,886
Total local sources	<u>785,079</u>	<u>825,301</u>	<u>920,702</u>	<u>1,073,015</u>	<u>1,280,619</u>
State sources:					
Florida education finance program	242,133	280,825	286,645	247,463	206,887
Capital outlay and debt service	6,685	6,688	6,887	7,041	7,110
Food service	886	876	884	887	869
Transportation	27,594	29,014	29,779	27,931	27,128
Public education capital outlay	32,605	20,950	23,004	17,666	12,608
School infrastructure thrift	-	2,043	-	-	-
Effort index	3,920	13,438	5,370	783	491
Classrooms first program	3,790	480	2,497	25	-
Class size reduction	5,763	289	32,168	78,543	127,108
State grants and entitlements	81,404	69,770	65,991	72,331	69,804
Total state sources	<u>404,780</u>	<u>424,373</u>	<u>453,225</u>	<u>452,670</u>	<u>452,005</u>
Federal sources:					
Federal grants and entitlements	97,634	78,394	92,036	98,481	113,614
National school lunch act	27,232	30,301	31,488	32,833	32,311
Total federal sources	<u>124,866</u>	<u>108,695</u>	<u>123,524</u>	<u>131,314</u>	<u>145,925</u>
TOTAL REVENUES	<u>\$ 1,314,725</u>	<u>\$ 1,358,369</u>	<u>\$ 1,497,451</u>	<u>\$ 1,656,999</u>	<u>\$ 1,878,549</u>



**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
EXPENDITURES:					
Current:					
Instruction	\$ 627,817	\$ 665,189	\$ 720,038	\$ 781,916	\$ 849,024
Instructional support services	115,507	127,305	138,764	146,337	158,067
Board	3,339	4,683	3,988	4,190	4,809
General administration	9,015	9,397	9,195	9,219	9,660
School administration	66,925	72,681	78,988	82,802	92,376
Facilities acquisition and construction	978	1,378	937	801	742
Fiscal services	4,208	4,501	4,607	4,446	4,469
Food services	45,738	48,946	53,022	55,708	57,064
Central services	17,541	17,795	20,141	21,024	13,828
Pupil transportation services	30,662	32,361	36,073	40,962	45,201
Operation of plant	90,563	94,479	101,533	109,209	122,911
Maintenance of plant	18,438	29,884	32,137	44,898	43,261
Administrative technology services	-	-	-	-	5,216
Community services	58,018	21,012	22,779	22,994	24,385
Total Current Expenditures	<u>1,088,749</u>	<u>1,129,611</u>	<u>1,222,202</u>	<u>1,324,506</u>	<u>1,431,013</u>
Capital outlay	326,927	422,126	466,078	380,426	515,355
Debt service:					
Retirement of principal	32,105	32,080	43,219	53,341	58,861
Interest	39,645	47,231	69,980	72,968	75,982
Fiscal charges	7,543	6,306	2,621	3,380	4,937
TOTAL EXPENDITURES	<u>1,494,969</u>	<u>1,637,354</u>	<u>1,804,100</u>	<u>1,834,621</u>	<u>2,086,148</u>
Debt service as a percentage of noncapital expenditures	7.28%	7.58%	9.48%	9.79%	9.77%



**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE,
GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS
(amounts expressed in thousands)**

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (180,244)	\$ (278,985)	\$ (306,649)	\$ (177,622)	\$ (207,599)
OTHER FINANCING SOURCES (USES):					
Transfers in	79,612	95,710	121,026	127,882	145,425
Transfers out	(79,612)	(95,710)	(121,026)	(127,882)	(145,425)
Proceeds of long-term and refunded debt	691,646	469,725	112,548	163,135	226,840
Net premium (discount) from issuance of long-term and refunded debt	9,529	20,954	3,228	11,354	16,447
Payments to refunded debt escrow agent	(300,941)	-	-	(134,647)	(80,589)
Proceeds of loss recoveries	-	-	-	15,815	25,710
Sale of capital assets and other	1,994	3,814	3,935	-	2,053
TOTAL OTHER FINANCING SOURCES (USES)	<u>402,228</u>	<u>494,493</u>	<u>119,711</u>	<u>55,657</u>	<u>190,461</u>
NET CHANGE IN FUND BALANCES	<u>\$ 221,984</u>	<u>\$ 215,508</u>	<u>\$ (186,938)</u>	<u>\$ (121,965)</u>	<u>\$ (17,138)</u>



**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS (UNAUDITED)
(amounts expressed in thousands)**

TAX YEAR	ACTUAL TAXABLE VALUE			NET TAXABLE ASSESSED VALUATION	ASSESSED VALUE AS A PERCENT OF TAXABLE VALUE	DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	EXEMPTIONS			
1997	\$ 70,066,748	\$ 5,840,932	\$ 15,738,249	\$ 60,169,431	79.27	9.557
1998	74,009,148	5,863,587	16,626,102	63,246,633	79.18	9.682
1999	79,221,077	6,204,255	17,893,369	67,531,963	79.05	9.043
2000	86,881,079	6,257,049	21,009,314	72,128,814	77.44	8.918
2001	94,267,750	6,743,621	21,377,191	79,634,180	78.84	8.948
2002	107,029,080	7,016,270	25,537,574	88,507,776	77.61	8.779
2003	122,274,011	7,057,718	30,606,045	98,725,684	76.34	8.571
2004	142,267,507	7,171,511	37,949,175	111,489,843	74.61	8.432
2005	173,218,595	7,521,517	50,180,200	130,559,912	72.24	8.106
2006 (1)	225,009,930	7,862,551	71,522,661	161,349,820	69.29	7.872

(1) Prior to adjustments on appeals from taxpayers.

Source: Palm Beach County Tax Collector's Office.





THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE GENERAL FUND
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

<u>FISCAL YEAR</u>	<u>NET TAXABLE ASSESSED VALUATION</u>	<u>BASE MILLAGE</u>	<u>PROPERTY TAXES LEVIED</u>	<u>DISCOUNTS FOR EARLY PAYMENT</u>	<u>CURRENT TAX COLLECTIONS</u>
1997	\$ 57,273,730	7.2520	\$ 415,349	\$ 14,297	\$ 377,188
1998	60,169,431	7.0600	424,796	14,720	397,313
1999	63,246,633	7.1790	454,048	15,789	436,742
2000	67,531,963	6.5870	444,833	15,544	418,800
2001	72,128,814	6.4870	467,900	16,164	425,422
2002	79,634,180	6.5470	521,365	18,058	489,176
2003	88,507,776	6.4270	568,839	19,742	532,720
2004	98,725,684	6.2510	617,134	19,668	580,619
2005	111,489,843	6.1580	686,554	19,695	648,455
2006	130,559,912	5.8840	768,215	25,051	721,979

Source: Palm Beach County Tax Collector's Office.

TABLE 9

<u>TOTAL TAX COLLECTIONS</u>	<u>% OF CURRENT TAX COLLECTED TO PROPERTY TAXES LEVIED</u>	<u>% OF CURRENT TAX COLLECTED PLUS DISCOUNT TO PROPERTY TAXES LEVIED</u>	<u>% OF TOTAL TAX COLLECTED TO PROPERTY TAXES LEVIED</u>	<u>% OF TOTAL TAX COLLECTED PLUS DISCOUNTS TO PROPERTY TAXES LEVIED</u>
\$ 399,906	90.81	94.25	96.28	99.72
411,660	93.53	97.00	96.91	100.37
449,491	96.19	99.67	99.00	102.47
421,179	94.15	97.64	94.68	98.18
439,243	90.92	94.38	93.88	97.33
490,811	93.83	97.29	94.14	97.60
533,822	93.65	97.12	93.84	97.31
581,884	94.08	97.27	94.29	97.48
649,530	94.45	97.32	94.61	97.48
721,060	93.98	97.24	93.86	97.12



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

PROPERTY TAX RATES PER THOUSAND OF ASSESSED VALUATION ALL COUNTYWIDE DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN TAX YEARS (UNAUDITED)

DIRECT				
TAX YEAR	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
1997	7.0600	2.0000	0.4970	9.5570
1998	7.1790	2.0000	0.5030	9.6820
1999	6.5870	2.0000	0.4560	9.0430
2000	6.4870	2.0000	0.4310	8.9180
2001	6.5470	2.0000	0.4010	8.9480
2002	6.4270	2.0000	0.3520	8.7790
2003	6.2510	2.0000	0.3200	8.5710
2004	6.1580	2.0000	0.2740	8.4320
2005	5.8840	2.0000	0.2220	8.1060
2006	5.7120	2.0000	0.1600	7.8720

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

TABLE 10

OVERLAPPING

PALM BEACH COUNTY				HEALTH	EVER-		SOUTH	
GENERAL	DEBT		CHILD	CARE	GLADES		FLORIDA	TOTAL
FUND	SERVICE	F.I.N.D.	SERVICES	DISTRICT	CONST.	TOTAL	WATER MGT.	COUNTYWISE
							DISTRICT	
4.5191	0.2833	0.0380	0.3756	1.2000	0.1000	6.5160	0.5720	16.6450
4.6000	0.2666	0.0500	0.4530	1.1600	0.1000	6.6296	0.5970	16.9086
4.6000	0.2582	0.0470	0.4403	1.0500	0.1000	6.4955	0.5970	16.1355
4.6000	0.3456	0.0440	0.4696	0.9750	0.1000	6.5342	0.5970	16.0492
4.6000	0.3362	0.0410	0.5000	1.0250	0.1000	6.6022	0.5970	16.1472
4.5500	0.3851	0.0385	0.5703	1.1500	0.1000	6.7939	0.5970	16.1699
4.5000	0.3084	0.0385	0.6228	1.1300	0.1000	6.6997	0.5970	15.8677
4.5000	0.2910	0.0385	0.6902	1.1300	0.1000	6.7497	0.5970	15.7787
4.5000	0.2677	0.0385	0.6902	1.1000	0.1000	6.6964	0.5970	15.3994
4.4500	0.2692	0.0385	0.6887	1.0800	0.1000	6.6264	0.5970	15.0954



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PROPERTY TAX LEVIES
ALL COUNTYWIDE DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

PALM BEACH COUNTY SCHOOL DISTRICT

FISCAL YEAR	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
1997	\$ 415,349	\$ 114,547	\$ 30,699	\$ 560,595
1998	424,796	120,339	29,904	575,039
1999	454,048	126,493	31,813	612,354
2000	444,833	135,064	30,795	610,692
2001	467,900	144,258	31,088	643,246
2002	521,365	159,268	31,933	712,566
2003	568,839	177,016	31,155	777,010
2004	617,134	197,451	31,593	846,178
2005	686,554	222,980	30,548	940,082
2006	768,215	260,525	28,918	1,057,658

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

TABLE 11

PALM BEACH COUNTY (1)							
GENERAL FUND	DEBT SERVICE	F.I.N.D.	CHILD SERVICES	HEALTH CARE DISTRICT	TOTAL	SOUTH FLORIDA WATER MGT. DISTRICT	TOTAL COUNTYWIDE
\$ 243,797	\$ 16,306	\$ 2,187	\$ 21,618	\$ 69,067	\$ 352,975	\$ 38,678	\$ 952,248
277,966	16,110	3,021	27,374	70,096	394,567	42,118	1,011,724
292,716	16,430	2,992	28,030	66,845	407,013	44,372	1,063,739
312,047	23,444	2,986	31,867	66,163	436,507	47,298	1,094,497
333,043	24,341	2,970	36,215	74,240	470,809	50,483	1,164,538
364,365	30,839	3,091	45,684	92,122	536,101	55,834	1,304,501
398,503	27,311	3,422	55,234	100,216	584,686	61,815	1,423,511
445,047	28,780	3,821	68,358	111,917	657,923	69,032	1,573,133
501,868	29,889	4,308	77,226	123,079	736,370	77,987	1,754,439
580,768	35,133	5,038	90,113	141,312	852,364	91,199	2,001,221



**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (1)	PER CAPITA (1)
	STATE BOARD OF EDUCATION BONDS	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES			
1997	\$ 53,190	\$ 237,340	\$ 221,890	\$ -	\$ 512,420	0.01	\$ 51
1998	53,765	225,840	219,530	-	499,135	0.01	49
1999	54,195	208,200	211,360	-	473,755	0.01	46
2000	53,440	189,685	358,235	-	601,360	1.23	53
2001	50,860	170,220	485,255	-	706,335	1.39	61
2002	50,965	143,510	883,465	-	1,077,940	2.07	91
2003	47,945	126,690	1,340,950	2,801	1,518,386	2.85	125
2004	50,735	103,665	1,431,453	1,862	1,587,715	2.87	128
2005	47,320	79,555	1,446,708	901	1,574,484	N/A	124
2006	42,380	54,275	1,565,373	-	1,662,028	N/A	129

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

Detail regarding the District's outstanding debt can be found in the notes to the basic financial statements.

(1) See Table 15 for personal income and per capita data.



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

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

Table with 6 columns: Year (2002-2006) and rows for Limit of bonded indebtedness, Total bonded debt, Less amount available in Debt Service Funds, Total amount applicable to debt limit, and Legal debt margin on bonded debt.

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



**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND
NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands - except per capita)**

FISCAL YEAR	POPULATION(1)	NET ASSESSED VALUE (2)	GROSS BONDED DEBT	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO NET ASSESSED VALUE	NET BONDED DEBT PER CAPITA (IN DOLLARS)
1997	1,003,684	\$ 57,273,730	\$ 290,530	\$ 41,863	\$ 248,667	0.43%	\$ 248
1998	1,020,521	60,169,431	279,605	40,637	238,968	0.40%	234
1999	1,039,814	63,246,633	262,395	41,856	220,539	0.35%	212
2000	1,131,184 (3)	67,531,963	243,125	46,415	196,710	0.29%	174
2001	1,153,440	72,128,814	221,080	50,619	170,461	0.24%	148
2002	1,181,947	79,634,180	194,475	55,211	139,264	0.17%	118
2003	1,211,301	88,507,776	174,635	75,405	99,230	0.11%	82
2004	1,242,426	98,725,684	154,400	33,740	120,660	0.12%	97
2005	1,265,734	111,489,843	126,875	34,700	92,175	0.08%	73
2006	1,284,767	130,559,912	96,655	34,867	61,788	0.05%	48

(1) Source: University of Florida, Bureau of Business and Economic Research (preliminary).
 (2) Source: Palm Beach County Property Appraiser's Office.
 (3) Source: 2002 Census Internet www.census.gov



**CURRENT DEBT RATIOS AND BONDED DEBT PER CAPITA OF PALM BEACH COUNTY -
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (UNAUDITED)**

FACTORS:

Direct Debt:

School District of Palm Beach County debt:	
General Obligation	\$54,275,000
Special Obligation (1)	42,380,000
	\$96,655,000

TOTAL DIRECT DEBT

\$96,655,000

Overlapping Debt: (2)

Palm Beach County Debt	\$283,885,000
	\$380,540,000

TOTAL DIRECT AND OVERLAPPING DEBT

\$380,540,000

Population of Palm Beach County	1,284,767
Assessed property valuation	\$180,740,112,000
Assessed taxable property valuation	\$130,559,912,000

DEBT RATIOS:

	PERCENT OF ASSESSED PROPERTY VALUATION	PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION	PER CAPITA (3)
Direct debt	0.05%	0.07%	\$ 75
Overlapping debt	0.16%	0.22%	\$ 221
Direct and overlapping debt	0.21%	0.29%	\$ 296

(1) Special obligation debt is payable from motor vehicle license taxes.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2005.
Source: Palm Beach County Comprehensive Annual Financial Report.

(3) Represents gross debt per capita. Net bonded debt per capita is reported in Table 14.



RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES - LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL FUND EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL FUND EXPENDITURES</u>
1997	\$ 24,085	\$ 27,352	\$ 51,437	\$ 722,998	7.11%
1998	20,480	32,528	53,008	779,182	6.80%
1999	28,030	25,990	54,020	835,941	6.46%
2000	29,045	24,849	53,894	843,494	6.39%
2001	30,525	32,037	62,562	896,622	6.98%
2002	32,105	38,631	70,736	944,076	7.49%
2003	32,080	46,519	78,599	1,003,207	7.83%
2004	42,280	69,409	111,689	1,077,281	10.37%
2005	52,380	71,217	123,597	1,167,776	10.58%
2006	58,861	75,971	134,832	1,256,525	10.73%

Note: Debt amounts reported include Certificates of Participation.

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



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

FISCAL YEAR	STATE BOARD OF EDUCATION BONDS				COVERAGE
	MOTOR VEHICLE LICENSE TAX	DEBT SERVICE			
		PRINCIPAL	INTEREST		
2002	\$ 5,058	\$ 2,720	\$ 2,473	0.97	
2003	5,453	3,020	2,517	0.98	
2004	5,838	3,260	2,508	1.01	
2005	5,752	3,415	2,452	0.98	
2006	5,815	3,620	1,309	1.18	

Note: Details regarding the District's outstanding debt can be found in Note 8 and Note 9 of the notes to the financial statements.



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

<u>YEAR</u>	<u>POPULATION (1)</u>	<u>PERSONAL INCOME (2) (IN THOUSANDS)</u>	<u>PER CAPITA INCOME (2)</u>	<u>TOTAL AVERAGE NUMBER OF ENROLLED STUDENTS (3)</u>	<u>PALM BEACH COUNTY UNEMPLOYMENT PERCENTAGE (4)</u>
1997	1,003,684	\$ 37,079,098	\$ 36,943	134,075	6.3
1998	1,020,521	39,846,242	39,045	138,730	5.6
1999	1,039,814	41,718,377	40,121	142,734	5.0
2000	1,131,184 (5)	48,761,949	43,107	145,955	4.4
2001	1,153,440	50,712,143	43,966	150,363	5.5
2002	1,181,947	52,147,502	44,120	159,941	5.9
2003	1,211,301	53,357,809	44,050	164,922	5.6
2004	1,242,426	55,310,321	44,518	170,504	5.2
2005	1,265,734	N/A	N/A	174,468	4.5
2006	1,284,767	N/A	N/A	174,570	3.4 (6)

(1) Source: University of Florida, Bureau of Business and Economic Research (preliminary).

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per capita personl income for Palm Beach County, FL

(3) Source: The School District of Palm Beach County - Data Management Systems Student Information File.

(4) Source: Agency for Workforce Innovation Florida Research & Economic Database

(5) Source: 2002 Census Internet www.census.gov

(6) Preliminary average through September 2006 (not seasonally adjusted)

N/A=Not available.





THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PRINCIPAL TAXPAYERS (IN THOUSANDS) AND
TEN LARGEST PRIVATE EMPLOYERS
PALM BEACH COUNTY
JUNE 30, 2006 (UNAUDITED)**

<u>TAXPAYER (1)</u>	<u>TYPE OF BUSINESS</u>	<u>2006</u>		
		<u>2005 TAXES</u>	<u>RANK</u>	<u>PERCENT OF TOTAL AGGREGATE TAX LEVY</u>
Florida Power & Light Company	Utility	\$ 22,908	1	0.82%
BellSouth (3)	Telecommunications	10,804	2	0.39%
U.S. Sugar Corporation	Agriculture	5,321	3	0.19%
Town Center	Retail Mall	4,619	4	0.17%
Panthers BRHC Ltd.	Resort Hotel	4,253	5	0.15%
Breakers Hotel - Palm Beach	Resort Hotel	4,067	6	0.15%
Lawrence L. Landry	Charitable Foundation	3,399	7	0.12%
Okeelanta Corporation	Agriculture	3,262	8	0.12%
TJ Palm Beach Assoc. Ltd. Ptnrs.	Retail Mall	3,022	9	0.11%
West Palm Beach CRA Lessor	Office Building	2,945	10	0.11%
MacArthur Foundation	Charitable Foundation	-	-	-
IBIS Landing Venture	Real Estate	-	-	-
Okeelanta Corporation	Agriculture	-	-	-
DeBartolo Realty	Retail Mall	-	-	-
	Total principal taxpayers	64,600		2.31%

<u>Ten Largest Private Employers (Excludes Agricultural) (2)</u>	<u>2006 Number of Employees</u>
Tenet Healthcare Corp	5,000
Columbia Palm Beach Health Care System	3,750
Florida Power & Light Company	2,924
Office Depot	2,680
Boca Raton Resort & Club	2,200
Breakers Hotel - Palm Beach	1,800
Boca Raton Community Hospital	1,700
Veterans Affairs Medical Center	1,400
Jupiter Medical Center	1,400
BellSouth	1,300
Pratt & Whitney	-
Motorola, Inc.	-
St. Mary' Hospital	-
Bethesda Memorial Hospital	-
Siemens Communication Systems	-

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

(2) Source: Palm Beach County Development Board.

(3) Taxpayer was "Southern Bell" in 1997.

1997		
1996		PERCENT
TAXES	RANK	OF TOTAL
		AGGREGATE
		TAX LEVY
\$ 17,435	1	0.61%
11,232	2	0.39%
5,443	4	0.19%
2,665	8	0.09%
-	-	-
2,286	10	0.08%
3,084	7	0.11%
-	-	-
-	-	-
-	-	-
5,465	3	0.19%
4,397	5	0.15%
3,509	6	0.12%
2,587	9	0.09%
58,103		1.82%

1997
Number of Employees

-
4,000
2,400
2,200
1,800
-
1,600
-
-
-
4,900
3,200
1,800
1,600
1,300



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PROPERTY VALUE OF BUILDING PERMITS ISSUED, CONSTRUCTION
AND BANK DEPOSITS
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

FISCAL YEAR	COMMERCIAL CONSTRUCTION (1)		RESIDENTIAL CONSTRUCTION (1)	
	COMMERCIAL AND PUBLIC BUILDING VALUATION	OTHER (4) VALUATION	SINGLE & MULTI-FAMILY UNITS	VALUATION
1997	83,384	259,143	6,385	621,075
1998	60,914	383,713	5,320	494,608
1999	90,609	371,549	5,805	534,129
2000	91,687	450,401	4,961	519,707
2001	89,788	425,657	3,960	445,232
2002	126,786	440,104	3,899	475,374
2003	85,738	351,562	3,483	465,791
2004	139,777	272,255	5,184	1,011,437
2005	91,537	471,841	4,414	1,191,043
2006	190,414	654,135	7,806	1,068,926

- (1) Source: Palm Beach County Planning, Zoning & Building
Data represents the unincorporated area of Palm Beach County
- (2) Source: Internet address www2.fdic.gov/sod
as of June 30, 2005
- (3) Source: Palm Beach County Property Appraiser's Office.
- (4) Includes hotels, motels, cabins, mobile home parks, and non-residential alterations
and additions.

TABLE 20

BANK DEPOSITS (2)		PROPERTY VALUES (3)			TOTAL VALUE
COMMERCIAL	SAVINGS AND LOAN	COMMERCIAL	RESIDENTIAL	GOVERNMENT	
10,006,335	6,446,027	14,015,029	51,688,571	3,655,253	69,358,853
10,715,610	7,317,552	14,770,005	55,527,941	3,864,012	74,161,958
10,523,123	8,609,515	15,566,248	59,609,225	3,988,436	79,163,909
13,283,898	7,243,923	18,982,172	63,880,688	3,949,052	86,811,912
13,183,000	8,185,000	17,017,799	72,656,923	4,420,150	94,094,872
13,656,000	8,707,000	18,100,581	84,268,815	4,600,300	106,969,696
14,093,000	10,229,000	19,533,667	97,806,780	4,996,862	122,337,309
15,856,000	11,543,000	21,415,633	115,518,819	5,369,972	142,304,424
18,173,000	12,815,000	24,661,710	141,606,809	6,329,122	172,597,641
20,201,000	14,270,000	31,123,445	186,122,863	7,683,455	224,929,763



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

RANK	SCHOOL DISTRICT	2001	2002	2003	2004	2005
1	New York City, NY	1,066,516	1,049,831	1,077,381	1,023,674	1,023,674
2	Los Angeles, CA	721,346	735,058	746,852	747,009	741,367
3	Puerto Rico, PR	612,725	604,177	596,502	584,916	575,648
4	Chicago, IL	435,261	437,418	436,048	434,419	426,812
5	Dade County, FL	368,625	375,836	373,395	371,785	368,933
6	Clark County, NV	231,655	245,659	256,574	270,529	283,221
7	Broward County, FL	251,129	262,055	267,925	272,835	274,591
8	Houston, TX	208,462	210,950	212,099	211,499	208,945
9	Hillsborough County, FL	164,311	169,789	175,454	181,900	189,469
10	Philadelphia, PA	201,190	197,083	192,683	189,779	187,547
11	State of Hawaii	184,360	184,546	183,829	183,609	183,185
12	Palm Beach County, FL	153,871	160,223	164,896	170,260	175,076
13	Orange County, FL	153,871	157,433	158,718	165,992	173,331
14	Fairfax County, VA	156,412	160,584	162,585	164,235	164,765
15	Dallas, TX	161,548	163,562	163,347	160,584	158,027

Based on students enrolled in grades kindergarten through twelve during the fall.
 Rank is based on most current fiscal year enrollment.
 Fiscal year 2006 information will not be available until next fiscal year.
 Source: National Center for Education Statistics Internet: <http://nces.ed.gov/ccd>



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

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

ANNUAL AVERAGE LABOR FORCE AND UNEMPLOYMENT ESTIMATES

YEAR	PALM BEACH COUNTY CIVILIAN LABOR FORCE	UNEMPLOYMENT RATES (%)		
		PALM BEACH COUNTY	FLORIDA	UNITED STATES
1997	482,486	6.3	4.8	4.9
1998	496,795	5.6	4.3	4.5
1999	531,437	5.0	3.9	4.2
2000	519,457	4.4	3.6	4.0
2001	540,276	5.5	4.8	4.8
2002	579,667	5.9	5.5	5.8
2003	584,597	5.6	5.1	6.0
2004	596,059	5.2	4.7	5.7
2005	610,463	4.4	4.1	5.3
2006 (1)	631,122	3.3	3.2	4.7

(1) Preliminary. Average through September 2006 (not seasonally adjusted)

Source: Agency for Workforce Innovation
Florida Research & Economic Database



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**EMPLOYMENT DISTRIBUTION BY MAJOR INDUSTRY
LAST TEN YEARS (UNAUDITED)**

**PALM BEACH COUNTY
EMPLOYMENT DISTRIBUTION BY MAJOR INDUSTRY**

<u>Year</u>	<u>Manufacturing</u>	<u>Contract Construction</u>	<u>Transportation</u>	<u>Trade</u>
1996	29,300	24,500	15,400	108,600
1997	30,600	25,100	16,200	112,600
1998	31,700	26,800	16,200	119,400
1999	33,000	27,200	16,100	118,500
2000	30,200	31,400	17,200	122,900
2001	27,600	32,900	18,600	128,900
2002	23,800	35,700	11,400	91,300
2003	21,200	35,700	10,500	90,100
2004	19,300	38,800	9,400	92,700
2005	19,400	42,400	9,900	93,100

Source: Florida Department of Labor and Employment Security, Division of
Employment Security.

TABLE 23

<u>Finance</u>	<u>Services</u>	<u>Government</u>	<u>Total</u>
28,800	157,300	52,500	416,400
30,300	168,700	53,700	437,200
34,000	189,900	54,300	472,300
33,800	188,300	55,400	472,300
35,200	209,600	58,000	504,500
37,500	209,700	58,300	513,500
39,300	270,400	60,600	532,500
39,800	272,600	63,700	533,600
39,600	293,300	64,200	557,300
39,400	304,300	65,200	573,700



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>
Days meals served:			
Regular school program	180	180	180
Number of pupil lunches served (regular):			
Paid lunches	3,588,843	3,567,973	3,737,293
Reduced lunches	765,567	835,940	900,400
Free lunches	7,462,244	7,613,966	7,669,050
Total pupil lunches served	<u>11,816,654</u>	<u>12,017,879</u>	<u>12,306,743</u>
Average number of pupil lunches served daily (regular):			
Paid lunches	19,938	19,822	20,763
Reduced lunches	4,253	4,644	5,002
Free lunches	41,457	42,300	42,606
Total average pupil lunches served daily	<u>65,648</u>	<u>66,766</u>	<u>68,371</u>
Number of pupil breakfasts served (regular):			
Paid breakfasts	143,844	158,615	183,699
Reduced breakfasts	86,213	93,673	112,689
Free breakfasts	2,823,240	2,903,035	3,025,855
Total pupil breakfasts served	<u>3,053,297</u>	<u>3,155,323</u>	<u>3,322,243</u>
Average number of pupil breakfasts served daily (regular):			
Paid breakfasts	799	881	1,021
Reduced breakfasts	479	520	626
Free breakfasts	15,685	16,128	16,810
Total average pupil breakfasts served daily	<u>16,963</u>	<u>17,529</u>	<u>18,457</u>
Number of adult lunches served (regular)			
	<u>547,943</u>	<u>580,542</u>	<u>618,165</u>
Average number of adult lunches served daily (regular)			
	<u>3,044</u>	<u>3,225</u>	<u>3,434</u>
REVENUES (IN THOUSANDS):			
Federal sources:			
Federal assistance	\$ 19,156	\$ 20,492	\$ 21,699
USDA donated food	1,759	1,139	2,240
State sources - State supplement	884	944	887
Local sources:			
Local food service sales:			
Students	11,182	12,088	13,052
Adults	1,076	1,146	1,226
Other	338	289	363
Interest on investments	117	217	304
TOTAL REVENUES	<u>\$ 34,512</u>	<u>\$ 36,315</u>	<u>\$ 39,771</u>
TOTAL COST AND OTHER FINANCING USES - Net	<u>\$ 33,136</u>	<u>\$ 34,968</u>	<u>\$ 35,836</u>

Source: The School District of Palm Beach County - Food Service Accounting.

TABLE 24

<u>1999/00</u>	<u>2000/01</u>	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>
<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>
3,666,209	3,674,772	3,615,693	3,462,912	3,659,382	3,812,475	3,486,769
935,152	1,057,293	1,012,004	1,083,535	1,180,645	1,014,636	899,406
<u>7,499,982</u>	<u>7,355,516</u>	<u>7,768,241</u>	<u>8,050,469</u>	<u>8,457,598</u>	<u>8,790,464</u>	<u>8,756,702</u>
<u>12,101,343</u>	<u>12,087,581</u>	<u>12,395,938</u>	<u>12,596,916</u>	<u>13,297,625</u>	<u>13,617,575</u>	<u>13,142,877</u>
20,368	20,415	20,087	19,238	20,330	21,180	19,371
5,195	5,874	5,622	6,020	6,559	5,637	4,997
<u>41,667</u>	<u>40,864</u>	<u>43,157</u>	<u>44,725</u>	<u>46,987</u>	<u>48,836</u>	<u>48,648</u>
<u>67,230</u>	<u>67,153</u>	<u>68,866</u>	<u>69,983</u>	<u>73,876</u>	<u>75,653</u>	<u>73,016</u>
212,764	255,139	305,531	310,557	361,375	455,469	414,748
136,639	159,431	183,058	197,380	223,016	217,226	201,069
<u>3,030,305</u>	<u>3,047,090</u>	<u>3,266,123</u>	<u>3,295,904</u>	<u>3,554,864</u>	<u>3,473,675</u>	<u>3,596,542</u>
<u>3,379,708</u>	<u>3,461,660</u>	<u>3,754,712</u>	<u>3,803,841</u>	<u>4,139,255</u>	<u>4,146,370</u>	<u>4,212,359</u>
1,182	1,417	1,697	1,725	2,008	2,530	2,304
759	886	1,017	1,097	1,239	1,207	1,117
<u>16,835</u>	<u>16,928</u>	<u>18,145</u>	<u>18,311</u>	<u>19,749</u>	<u>19,298</u>	<u>19,981</u>
<u>18,776</u>	<u>19,231</u>	<u>20,859</u>	<u>21,133</u>	<u>22,996</u>	<u>23,035</u>	<u>23,402</u>
<u>638,104</u>	<u>609,289</u>	<u>630,246</u>	<u>682,375</u>	<u>726,197</u>	<u>592,845</u>	<u>463,151</u>
<u>3,545</u>	<u>3,385</u>	<u>3,501</u>	<u>3,791</u>	<u>4,034</u>	<u>3,294</u>	<u>2,573</u>
\$ 22,133	\$ 22,618	\$ 24,717	\$ 25,989	\$ 28,091	\$ 29,167	\$ 29,327
2,354	2,827	2,515	4,312	3,397	3,666	2,984
902	885	906	896	884	887	869
13,872	15,614	17,238	18,403	19,915	19,505	20,119
1,281	1,200	1,266	1,381	1,442	1,212	1,402
324	640	410	510	508	1,698	1,979
<u>527</u>	<u>633</u>	<u>334</u>	<u>251</u>	<u>145</u>	<u>369</u>	<u>544</u>
<u>\$ 41,393</u>	<u>\$ 44,417</u>	<u>\$ 47,386</u>	<u>\$ 51,742</u>	<u>\$ 54,382</u>	<u>\$ 56,503</u>	<u>\$ 56,503</u>
<u>\$ 39,603</u>	<u>\$ 43,685</u>	<u>\$ 46,498</u>	<u>\$ 49,456</u>	<u>\$ 53,545</u>	<u>\$ 55,943</u>	<u>\$ 57,065</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**SCHEDULE OF INSURANCE IN FORCE
AS OF JUNE 30, 2006 (UNAUDITED)**

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Petroleum Contamination Liability FPL 1953656#2	Commerce and Industry Insurance Company	Leakage of underground motor vehicle petroleum storage tanks
All Risk Property	Multiple Companies	School Board buildings including personal property & extra expense
	Multiple Policies	\$2.634 billion of property values
National Flood Ins. Program 212 individual policies	Travelers Insurance Company	Flood protection for 212 buildings in flood zones A & V
Boiler & Machinery FBP 9450705	Hartford Steam Boiler	Accidental breakdown of boilers, pressure vessels and steam generators
Crime 21BPECZ0333	Hartford Insurance	1) Loss to the District due to the dishonesty of any School Board employee 2) Destruction, disappearance or theft of District money or securities while in a District building, in a banking institution, or while being transported by an authorized employee or armored vehicle company 3) Forgery losses on checking and savings accounts
Superintendent & School Members' Public Official Bonds Multiple policies	The Hartford Insurance Group The Ohio Casualty Insurance Co.	State required Public Officials' bonds
Master Builders Risk 751726	Lexington Insurance Co.	New schools under construction

TABLE 25 (Continued)

POLICY PERIOD	DEDUCTIBLE OR SELF-INSURED RETENTION	POLICY LIMITS	ESTIMATED ANNUAL PREMIUM
7/13/04 - 7/13/05	\$10,000	\$1 million per incident, \$2 million annual aggregate	\$ 2,929
12/31/04 - 12/31/05	\$10 million plus 4% (min. \$1 million) for named hurricane	\$200 million catastrophic limits \$25 million flood \$1 million extra expense	\$ 6,275,000
12/31/04 - 12/31/05	\$50,000 per building \$50,000 for contents	\$76.4 million	\$ 208,951
12/31/04 - 12/31/05	\$10,000	\$50 million per accident	\$ 51,983
08/07/04 - 08/07/05	1) \$100,000 per loss	1) \$5 million per loss	\$ 35,384
	2) \$1,000	2) \$100,000 per loss	
	3) \$10,000	3) \$10,000	
11/19/04 - 11/19/06 or through 11/19/08 depending on term	None	\$2,000 to \$14,000	\$ 800
04/01/05 - 04/01/08	\$25,000 all perils 5% wind	\$50 Million	\$ 866,000



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

SCHEDULE OF INSURANCE IN FORCE AS OF JUNE 30, 2006 (UNAUDITED)

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Excess Workers' Compensation and Employers' Liability MDB0219201	State Nat'l Ins. Company	Limits self-insured liabilities under the Florida Workers' Compensation Act and State Statute 768.28 for General Liability
Employee Health 704471	United Health Care	Employee medical EPO Choice HMO Choice 39 POS PPO
Employee Dental CP1729	CompBenefits	Employee dental
CD1730		
CD1729		
Employee Vision VC 19	Eye Med	Employee vision
Employee Assistance Plan	Corporate Care Works, Inc.	Unlimited treatments
Term Life Insurance 106456-G	Met Life	Employee death benefits

Source: The School District of Palm Beach County - Department of Risk Management.

TABLE 25 (Continued)

POLICY PERIOD	DEDUCTIBLE OR SELF-INSURED RETENTION	POLICY LIMITS	ESTIMATED ANNUAL PREMIUM
7/1/04 - 7/1/05	\$500,000 per accident	\$1 million per occurrence \$10 million aggregate	\$ 310,000
1/1/06 - 12/31/06	Individual monthly premiums range from \$338 to \$585. The Board contributes \$338 per mo. towards single coverage and between \$625 to \$761 per mo. towards family coverage.	3 No lifetime maximum on HMOs \$2 million lifetime per person on POS	\$ 134,000,000 for all employee health benefits
1/1/06 - 12/31/07	Individual monthly premiums: Managed: \$20.00 single \$39.50 family PPO low option: \$23.56 single \$87.20 family PPO high option: \$31.42 single \$116.26 family	No annual limits \$1,000 limit per year \$1,000 limit per year	Paid by employee
1/1/05 - 12/31/07	Individual premiums \$5.62 single \$15.90 family	Limited schedule of benefits	Paid by employee
1/1/04 - 12/31/06	Board paid \$1.30 per employee per month	Financial and legal services excluded	\$ 310,000
1/1/06 - 1/1/08	\$2.15 individual monthly premium for part-time employees Board paid \$4.30 individual monthly premium for full-time employees Board paid	\$10,000 part-time employee \$20,000 full-time employee	\$ 1,145,365 (Actual amount)

(Continued)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

SCHEDULE OF INSURANCE IN FORCE AS OF JUNE 30, 2006 (UNAUDITED)

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
High School Interscholastic Athletic FL 05	Monumental Life Ins. Co.	Medical expenses for students injured while participating in high school interscholastic athletics
Student Catastrophe FL 04	Monumental Life Ins. Co.	1) Medical benefits for up to 5 years for students injured while participating in school supervised activities 2) Disability benefits for up to 10 years for interscholastic athletic injuries
Student Malpractice 127268148	CNA Financial Corp.	Professional liabilities for health occupation students
Housemovers Bond 104124915	Travelers Insurance Company	Moving portable classrooms
Vendors Liability CLS 1028278	Scottsdale Insurance Company	General liability for permittees and licensees of the District
Summer Camp Liability CLS 1141426	Scottsdale Insurance Company	General liability claims arising out of summer camp activities
Owners Protective Professional Indemnity EOC 9276749 01	Steadfast Insurance Company	Architectural professional liability on new construction

Source: The School District of Palm Beach County - Department of Risk Management.

TABLE 25 (Concluded)

POLICY PERIOD	DEDUCTIBLE OR SELF-INSURED RETENTION	POLICY LIMITS	ESTIMATED ANNUAL PREMIUM
8/1/04 - 8/1/05	None	\$25,000 per person	\$ 733,750
8/1/04 - 8/01/05	1) \$25,000 per student, per accident	1) \$5 million	\$ 146,750
	2) None	2) \$600,000 per student	
12/31/04 - 12/31/05	None	\$1 million per claim (\$3 million annual aggregate)	\$ 6,681
6/1/05 - 6/1/06	None	\$10,000	\$ 100
7/1/04 - 7/1/05	\$500 per claimant	\$1 million each occurrence; \$2 million aggregate	\$ 15,000 minimum & deposit
6/2/05 - 8/8/05	None	\$1 million per claim \$2 million aggregate	\$ 47,595
6/1/04 - 6/1/07	\$100,000	\$10 million	\$ 646,800

(Concluded)



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

<u>FISCAL YEAR</u>	<u>MINIMUM SALARY</u>	<u>MAXIMUM SALARY</u>	<u>MEAN SALARY</u>
1997	28,080	51,863	39,972
1998	28,922	53,418	41,170
1999	29,500	56,008	42,754
2000	29,500	59,500	44,500
2001	30,951	60,975	45,963
2002	31,725	62,378	47,052
2003	32,518	64,840	48,679
2004	33,494	64,840	49,167
2005	33,494	64,840	49,167
2006	33,494	67,926	50,710

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



**FULL TIME STAFF BY ASSIGNMENT
LAST FIVE FISCAL YEARS**

ASSIGNMENT	Fall				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Administrators	148	164	164	185	184
Supervisors of instruction	31	34	33	37	39
Principals	156	174	173	181	171
Assistant principals	298	326	327	326	336
Classroom teachers - Elementary	3,538	3,756	4,010	4,093	4,296
Classroom teachers - Secondary	3,558	3,605	3,793	4,070	4,326
ESE teachers	1,446	1,485	1,548	1,666	1,680
Other teachers	295	258	283	459	477
Guidance counselors	348	382	365	363	366
Social workers	6	11	20	18	20
Psychologists	65	68	74	74	71
Media center	153	153	159	152	147
Professional - (instructional)	482	502	502	336	346
Professional - (non-instructional)	539	592	631	702	718
Aides	1,886	2,040	1,743	1,731	1,727
Technicians	124	129	126	235	237
Secretarial/clerical	1,325	1,377	1,376	1,424	1,397
Service workers	2,562	2,599	2,666	2,769	2,786
Skilled crafts	315	303	311	325	328
Unskilled labors	37	36	38	38	44
Total Full Time Employees	<u>17,312</u>	<u>17,994</u>	<u>18,342</u>	<u>19,184</u>	<u>19,696</u>

Source: Florida Department of Education Statistical Brief " Staff in Florida's Public Schools".

Data includes only full time staff on the survey date.

Figures exclude charter school staff.



**OPERATING STATISTICS
LAST FIVE FISCAL YEARS (UNAUDITED)**

FISCAL YEAR	TOTAL UNWEIGHTED FULL TIME ENROLLMENT (FTE) (1)	CURRENT EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/ TEACHER RATIO
2002	157,499	1,088,749	6,912.74	4.59%	8,837	17.8
2003	162,591	1,129,611	6,947.56	0.50%	9,104	17.9
2004	168,011	1,222,202	7,274.54	4.71%	9,634	17.4
2005	172,237	1,324,506	7,690.02	5.71%	10,288	16.7
2006	172,527	1,431,013	8,294.43	7.86%	10,779	16.0

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

(1) Source: Florida Department of Education.



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

	Fiscal Year				
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Acreage Pines Elementary (1985)					
Square feet	93,724	93,724	93,724	93,724	93,724
Capacity	543	723	723	762	762
Enrollment	579	913	896	882	880
Addison Mizner Elementary (1966)					
Square feet	92,207	90,287	90,287	67,423	67,423
Capacity	776	657	657	657	657
Enrollment	879	818	810	847	863
Allamanda Elementary (1964)					
Square feet	85,481	85,481	85,481	85,481	85,481
Capacity	694	879	879	851	851
Enrollment	535	626	618	666	576
Atlantic High (1949) (Modernization 2004)					
Square feet	402,435	402,435	402,435	272,178	272,178
Capacity	2,347	2,500	2,500	1,747	1,747
Enrollment	2,363	1,978	2,025	2,094	2,244
Bak Middle School of the Arts (1965) (Modernization 2004)					
Square feet	222,884	156,095	156,095	156,095	156,095
Capacity	1,346	870	870	884	884
Enrollment	1,372	1,342	1,352	1,312	1,265
Banyan Creek Elementary (1960)					
Square feet	106,045	106,045	106,045	106,045	106,045
Capacity	587	799	799	799	799
Enrollment	804	754	739	788	994
Barton Elementary (1985)					
Square feet	28,139	28,139	28,139	28,139	28,139
Capacity	774	872	872	872	872
Enrollment	659	702	686	713	764
Beacon Cove Elementary(3-5) (2000)					
Square feet	114,296	111,416	108,536	105,656	102,776
Capacity	787	994	994	994	969
Enrollment	949	951	936	1,030	1,000
Bear Lakes Middle (1986)					
Square feet	202,671	161,326	161,326	161,326	161,326
Capacity	1,065	1,184	1,184	1,184	1,184
Enrollment	984	1,012	1,018	1,492	1,412
Belle Glade Elementary (1985)					
Square feet	111,607	111,607	111,607	111,607	111,607
Capacity	782	1,015	1,015	1,015	990
Enrollment	667	693	676	742	795
Belvedere Elementary (1996)					
Square feet	93,729	90,849	87,969	85,089	82,209
Capacity	640	769	769	575	585
Enrollment	529	503	497	507	614
Benoist Farms Elementary (2003)					
Square feet	104,028	104,028	104,028	104,028	
Capacity	774	992	992	962	0
Enrollment	646	545	523	545	0
Berkshire Elementary (1958)					
Square feet	97,012	97,012	97,012	97,012	97,012
Capacity	648	694	694	672	672
Enrollment	613	683	720	780	890



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

	Fiscal Year				
	2006	2005	2004	2003	2002
Binks Forest Elementary (1999)					
Square feet	125,696	121,856	101,882	101,882	101,882
Capacity	1,134	1,000	1,000	1,000	1,000
Enrollment	1,208	1,173	1,149	1,154	1,109
Boca Raton Elementary (2001)					
Square feet	66,010	66,010	66,010	66,010	66,010
Capacity	383	510	510	510	490
Enrollment	367	327	319	383	306
Boca Raton High (1963)					
Square feet	328,534	328,534	328,534	256,304	256,304
Capacity	1,906	2,145	2,000	1,788	2,016
Enrollment	1,990	1,880	1,832	1,829	1,845
Boca Raton Middle (1968)					
Square feet	155,273	155,273	155,273	155,273	155,273
Capacity	1,109	2,000	1,134	1,176	1,176
Enrollment	1,108	1,789	1,187	1,135	1,106
Boynton Beach High (1999)					
Square feet	335,998	335,998	335,998	335,998	335,998
Capacity	2,233	2,448	2,476	2,476	2,470
Enrollment	1,744	2,240	2,365	2,440	1,894
C.O. Taylor/Kirklane Elementary (1970)					
Square feet	113,735	107,015	104,735	104,735	104,735
Capacity	815	908	908	873	873
Enrollment	1,069	1,008	1,003	991	1,117
Calusa Elementary (1986)					
Square feet	102,593	102,593	102,593	102,593	101,631
Capacity	584	761	761	761	761
Enrollment	736	637	625	589	472
Carver Middle (1960)					
Square feet	150,573	150,573	150,573	150,573	150,573
Capacity	1,145	1,377	1,377	1,337	1,337
Enrollment	1,183	1,431	1,428	1,463	1,435
Cholee Lake Elementary (2003)					
Square feet	124,602	124,602	124,602	104,442	-
Capacity	1,134	1,136	1,136	962	-
Enrollment	1,415	1,133	1,116	943	-
Christa McAuliffe Middle (1965)					
Square feet	164,104	164,104	164,104	164,104	162,564
Capacity	994	1,244	1,244	1,203	1,203
Enrollment	1,290	1,529	1,525	1,459	1,365
Citrus Cove Elementary (1965)					
Square feet	96,753	96,753	96,753	96,753	96,753
Capacity	651	776	776	774	774
Enrollment	905	1,027	1,038	1,123	1,468
Congress Community Middle (1960)					
Square feet	123,075	123,075	123,075	123,075	123,075
Capacity	1,159	1,343	1,343	1,344	1,344
Enrollment	962	1,313	1,313	1,293	1,283
Conniston Middle (1992)					
Square feet	172,811	172,811	172,811	172,811	172,811
Capacity	1,056	1,177	1,177	1,139	1,211
Enrollment	947	992	999	995	1,011



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

	Fiscal Year				
	2006	2005	2004	2003	2002
Coral Reef Elementary (1999)					
Square feet	142,175	117,145	117,145	117,145	117,145
Capacity	738	1,000	1,000	1,000	1,000
Enrollment	1,080	1,067	1,258	1,084	1,289
Coral Sunset Elementary (1984) (Addition 2006)					
Square feet	131,865	91,516	91,516	91,516	91,516
Capacity	590	810	810	808	808
Enrollment	822	917	921	959	1,016
Crestwood Community Middle (1970)					
Square feet	159,718	159,718	147,238	147,238	147,238
Capacity	1,260	1,200	1,200	1,199	1,199
Enrollment	1,281	1,481	1,477	1,687	1,464
Crosspointe Elementary (2003)					
Square feet	103,967	103,967	103,967	103,967	-
Capacity	774	992	992	996	-
Enrollment	745	815	790	724	-
Crystal Lakes Elementary (1985)					
Square feet	95,086	95,086	95,086	95,086	95,086
Capacity	607	798	798	790	790
Enrollment	693	927	918	922	1,031
Cypress Trails Elementary (1985)					
Square feet	95,095	92,215	86,455	86,455	86,455
Capacity	659	791	791	790	790
Enrollment	884	819	802	791	974
Del Prado Elementary (1985)					
Square feet	88,555	81,835	81,835	81,835	81,835
Capacity	605	791	791	767	767
Enrollment	843	754	733	772	827
Dwight D. Eisenhower Elementary (1970)					
Square feet	92,655	92,655	92,655	92,655	92,655
Capacity	711	763	763	901	901
Enrollment	307	489	493	510	697
Diamond View Elementary (2004)					
Square feet	138,987	135,147	135,147	-	-
Capacity	1,022	948	948	-	-
Enrollment	933	747	735	-	-
Discovery Key Elementary (2000)					
Square feet	136,517	136,517	136,477	108,677	108,677
Capacity	1,278	991	991	991	961
Enrollment	1,287	961	949	937	768
Don Estridge High Tech Middle (2005)					
Square feet	177,982	177,982	-	-	-
Capacity	1,153	1,300	-	-	-
Enrollment	1,294	1,134	-	-	-
Dr. Mary McLeod Bethune Elementary (2000)					
Square feet	116,629	116,629	116,629	116,629	116,629
Capacity	794	1,015	1,015	1,015	1,015
Enrollment	545	556	538	561	651
Dreyfoos High School of the Arts					
Square feet	247,253	247,253	247,253	247,253	247,253
Capacity	1,229	1,311	1,311	1,311	1,311
Enrollment	1,325	1,287	1,321	1,350	1,334



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

	Fiscal Year				
	2006	2005	2004	2003	2002
Eagles Landing Middle (1993)					
Square feet	161,310	161,310	161,310	161,310	155,550
Capacity	1,105	1,330	1,330	1,330	1,330
Enrollment	1,266	1,632	1,639	1,561	1,497
Egret Lake Elementary (1970)					
Square feet	104,348	104,348	104,348	96,668	95,708
Capacity	580	785	785	785	785
Enrollment	369	896	834	780	827
Elbridge Gale Elementary (2006)					
Square feet	125,813	-	-	-	-
Capacity	964	-	-	-	-
Enrollment	283	-	-	-	-
Equestrian Trails Elementary (2004)					
Square feet	123,313	123,313	123,313	-	-
Capacity	920	981	981	-	-
Enrollment	1,206	964	892	-	-
Forest Hill Elementary (1965)					
Square feet	131,192	127,352	115,832	115,832	115,832
Capacity	898	1,030	1,030	1,020	683
Enrollment	1,165	1,127	1,110	1,077	1,108
Forest Hill High (1971)					
Square feet	304,018	304,018	304,018	304,018	168,032
Capacity	1,823	1,800	1,800	1,313	1,594
Enrollment	1,814	1,492	1,543	1,461	1,521
Forest Park Elementary (1955)					
Square feet	116,016	116,016	116,016	116,016	116,016
Capacity	632	749	749	749	749
Enrollment	494	566	578	570	686
Freedom Shores Elementary (2003)					
Square feet	133,251	133,251	133,251	133,251	-
Capacity	986	1,325	1,325	1,040	-
Enrollment	1,056	1,075	1,061	956	-
Frontier Elementary (2000)					
Square feet	114,421	114,421	114,381	114,381	107,701
Capacity	882	987	987	987	960
Enrollment	938	970	950	856	733
Galaxy Elementary (1958)					
Square feet	69,023	69,023	69,023	69,023	69,023
Capacity	635	621	621	633	633
Enrollment	436	528	523	539	680
Glade View Elementary (1960)					
Square feet	81,951	81,951	81,951	81,951	81,951
Capacity	580	720	720	743	743
Enrollment	432	451	445	427	516
Glades Central High (1975)					
Square feet	242,732	242,732	242,732	242,732	222,572
Capacity	1,499	1,590	1,590	1,590	1,562
Enrollment	1,264	1,154	1,166	1,250	1,356
Golden Grove Elementary (1985)					
Square feet	117,026	117,026	117,026	117,026	117,026
Capacity	756	1,000	1,000	1,000	1,000
Enrollment	805	1,069	1,057	1,086	1,122



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

	Fiscal Year				
	2006	2005	2004	2003	2002
Gove Elementary (1964)					
Square feet	108,181	108,181	108,181	108,181	108,181
Capacity	780	936	936	936	936
Enrollment	911	930	930	731	800
Grassy Waters Elementary (2005)					
Square feet	124,487	118,727	-	-	-
Capacity	787	970	-	-	-
Enrollment	950	950	-	-	-
Greenacres Elementary (1986) (Modernization 2003)					
Square feet	98,343	98,343	98,343	98,343	84,903
Capacity	750	851	939	669	669
Enrollment	601	585	577	551	581
Grove Park Elementary (1966)					
Square feet	101,870	97,070	97,070	88,430	88,430
Capacity	763	707	707	707	707
Enrollment	687	731	726	667	768
H.L. Johnson Elementary (1984)					
Square feet	108,815	108,815	108,815	108,815	108,815
Capacity	595	812	812	801	801
Enrollment	920	771	756	794	1,232
H.L. Watkins Middle (1962) (Modernization 2005)					
Square feet	210,234	210,234	28,918	28,918	28,918
Capacity	1,343	1,065	1,065	1,065	1,065
Enrollment	1,034	996	967	1,115	1,208
Hagen Road Elementary (1967)					
Square feet	86,739	86,739	86,739	86,739	86,739
Capacity	508	554	554	713	713
Enrollment	673	605	599	533	564
Hammock Pointe Elementary (1990) (Addition 2005)					
Square feet	141,711	94,486	94,486	94,486	94,486
Capacity	964	775	775	775	775
Enrollment	806	864	899	949	994
Heritage Elementary (1994)					
Square feet	119,273	119,273	119,273	119,273	119,273
Capacity	738	989	989	989	989
Enrollment	828	788	805	1,356	1,205
Hidden Oaks Elementary (2006)					
Square feet	129,084	-	-	-	-
Capacity	964	-	-	-	-
Enrollment	681	-	-	-	-
Highland Elementary (1964)					
Square feet	137,542	137,542	137,542	137,542	106,845
Capacity	960	858	858	848	848
Enrollment	778	792	783	767	850
Independence Middle (2003)					
Square feet	178,708	178,708	178,708	171,028	-
Capacity	1,344	1,445	1,445	1,317	-
Enrollment	1,315	1,346	1,339	938	-
Indian Pines Elementary (1970)					
Square feet	156,535	156,535	102,468	102,468	102,468
Capacity	648	769	769	769	769
Enrollment	954	990	983	955	939



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

	Fiscal Year				
	2006	2005	2004	2003	2002
J.C. Mitchell Elementary (1958) (Modernization 2004)					
Square feet	127,887	127,887	127,887	82,753	82,753
Capacity	964	758	758	761	761
Enrollment	603	692	682	676	784
John F. Kennedy Middle (1960)					
Square feet	161,201	161,201	161,201	161,201	160,241
Capacity	1,132	1,219	1,219	1,219	1,219
Enrollment	1,011	1,088	1,136	1,027	1,161
Jeaga Middle (2004)					
Square feet	179,776	179,776	179,776		
Capacity	1,254	1,252	1,252	-	-
Enrollment	1,235	1,200	1,205	-	-
Jefferson Davis (1968) (Modernization & Renamed 2005)					
Square feet	-	151,421	151,421	151,421	151,421
Capacity	-	1,359	1,359	1,355	1,355
Enrollment	-	1,825	1,808	1,831	1,737
Jerry Thomas Elementary (1980)					
Square feet	81,425	81,425	81,425	81,425	81,425
Capacity	624	795	795	790	790
Enrollment	847	845	841	870	876
John I. Leonard High (1999) (Modernization 2006)					
Square feet	379,223	358,187	358,131	358,187	358,187
Capacity	2,676	2,616	2,616	2,616	2,616
Enrollment	2,261	2,470	2,544	3,076	3,059
Jupiter Elementary (1989)					
Square feet	131,515	131,515	131,515	131,515	131,515
Capacity	582	767	767	750	750
Enrollment	653	597	582	515	483
Jupiter Middle (1970)					
Square feet	159,515	153,755	147,035	147,035	147,035
Capacity	1,058	1,256	1,256	1,256	1,256
Enrollment	1,224	996	989	1,014	1,556
Jupiter High (2001)					
Square feet	352,272	331,152	331,152	331,152	331,152
Capacity	2,703	2,564	2,564	2,723	2,570
Enrollment	2,917	2,267	2,322	1,849	1,745
Jupiter Farms Elementary (1990)					
Square feet	84,357	81,477	81,477	81,477	79,557
Capacity	641	783	783	783	783
Enrollment	714	769	753	768	780
K.E. Cunningham/Canal Point Elem (1987)					
Square feet	81,651	81,651	81,651	81,651	81,651
Capacity	707	897	897	897	897
Enrollment	510	511	491	512	594
L.C. Swain Middle (2006)					
Square feet	192,661	-	-	-	-
Capacity	1,323	-	-	-	-
Enrollment	1,154	-	-	-	-
Lake Park Elementary (1923) (Modernization 2003)					
Square feet	76,993	76,993	76,993	76,993	74,305
Capacity	401	540	540	540	490
Enrollment	430	483	485	516	509



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

	Fiscal Year				
	2006	2005	2004	2003	2002
Lake Shore Middle (1999)					
Square feet	206,117	206,117	206,117	206,117	200,357
Capacity	1,416	1,542	1,542	1,532	1,542
Enrollment	1,082	1,194	1,211	1,235	1,193
Lake Worth Middle (1960)					
Square feet	154,482	154,482	154,482	154,482	154,482
Capacity	1,077	1,229	1,229	1,228	1,228
Enrollment	930	1,533	1,544	1,611	1,565
Lake Worth High (1922) (Modernization 2003)					
Square feet	307,595	307,595	307,595	307,595	307,595
Capacity	2,860	3,134	3,134	2,792	2,792
Enrollment	2,818	3,088	3,168	3,124	2,958
Lantana Elementary (1968) (Modernization 2004)					
Square feet	100,033	100,033	100,033	100,033	100,033
Capacity	647	651	651	651	826
Enrollment	549	559	550	537	707
Lantana Middle (1992)					
Square feet	154,851	154,851	154,851	145,251	145,251
Capacity	1,001	973	973	498	509
Enrollment	876	942	954	868	850
Liberty Park Elementary (1965)					
Square feet	116,273	116,273	116,273	116,273	116,273
Capacity	602	815	815	813	813
Enrollment	882	944	934	941	1,209
Lighthouse Elementary (1985)					
Square feet	87,065	87,065	82,265	82,265	82,265
Capacity	721	778	778	778	778
Enrollment	831	841	1,239	709	654
Limestone Creek Elementary (1965)					
Square feet	94,826	94,826	94,826	94,826	94,826
Capacity	633	803	803	817	817
Enrollment	927	1,007	996	996	995
Lincoln Elementary (1988)					
Square feet	165,165	165,165	165,165	165,165	165,165
Capacity	1,227	1,200	1,200	1,200	1,200
Enrollment	500	614	603	711	1,086
Loggers Run Middle (1981)					
Square feet	134,002	134,002	134,002	134,002	134,002
Capacity	964	1,217	1,217	1,216	1,216
Enrollment	1,157	1,440	1,456	1,421	1,414
Loxahatchee Groves Elementary (1985)					
Square feet	105,168	102,288	100,368	100,368	100,368
Capacity	574	773	773	773	773
Enrollment	666	703	707	733	820
Manatee Elementary (1985)					
Square feet	122,714	122,714	122,674	111,194	111,194
Capacity	1,026	1,000	1,160	1,000	1,000
Enrollment	1,164	1,103	1,098	1,016	1,323
Meadow Park Elementary (1955) (Modernization 2004)					
Square feet	200,941	200,941	200,941	80,950	80,950
Capacity	689	643	643	643	643
Enrollment	572	520	515	505	692



BUILDING INFORMATION
LAST FIVE FISCAL YEARS (UNAUDITED)

Table with columns for Fiscal Year (2006, 2005, 2004, 2003, 2002) and rows for various schools (Melaleuca Elementary, Morikami Park Elementary, etc.) listing Square feet, Capacity, and Enrollment.



BUILDING INFORMATION
LAST FIVE FISCAL YEARS (UNAUDITED)

Table with columns for Fiscal Year (2006, 2005, 2004, 2003, 2002) and rows for various schools including Pahokee Elementary, Pahokee Mid/Sr., Palm Beach Central High, Palm Beach Gardens Elementary, Palm Beach Gardens High, Palm Beach Lakes High, Palm Beach Public School, Palm Springs Elementary, Palm Springs Middle, Palmetto Elementary, Panther Run Elementary, Park Vista High, and Pierce Hammock Elementary. Rows include metrics for Square feet, Capacity, and Enrollment.



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

	Fiscal Year				
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Pine Grove Elementary (1966)					
Square feet	98,015	98,015	98,015	95,135	90,335
Capacity	674	797	797	862	862
Enrollment	548	665	686	651	746
Pioneer Park Elementary (1995)					
Square feet	102,411	102,411	102,411	102,411	102,411
Capacity	800	1,015	1,015	1,015	1,015
Enrollment	489	496	497	529	696
Pleasant City Elementary (2003)					
Square feet	69,718	69,718	69,718	69,718	-
Capacity	386	530	530	493	-
Enrollment	326	322	315	328	-
Plumosa Elementary (1954)					
Square feet	73,813	73,813	73,813	73,813	72,029
Capacity	581	652	652	652	652
Enrollment	386	490	486	522	554
Poinciana Elementary (1956)					
Square feet	96,807	96,807	96,807	96,807	96,807
Capacity	685	939	939	922	922
Enrollment	627	661	673	686	733
Polo Park Middle (1993)					
Square feet	200,803	196,963	196,963	179,683	179,683
Capacity	1,560	1,417	1,417	1,344	1,344
Enrollment	1,656	1,566	1,555	1,388	1,227
Rolling Green Elementary (1995)					
Square feet	30,228	30,228	30,228	30,228	30,228
Capacity	726	842	842	842	817
Enrollment	795	836	830	871	848
Roosevelt Elementary (1996)					
Square feet	119,615	119,615	119,615	119,615	15,703
Capacity	748	970	796	796	796
Enrollment	569	695	727	838	925
Roosevelt Middle (1993)					
Square feet	186,487	186,487	186,487	186,487	186,487
Capacity	1,106	1,352	1,352	1,311	1,311
Enrollment	1,317	1,303	1,324	1,400	1,429
Rosenwald Elementary (1951)					
Square feet	79,589	79,589	79,589	79,589	79,589
Capacity	543	672	672	678	678
Enrollment	351	390	382	393	461
Royal Palm Beach Elementary (2001)					
Square feet	106,450	106,450	106,450	102,610	102,610
Capacity	846	992	992	934	934
Enrollment	888	1,006	1,010	844	844
Royal Palm Beach High (1996)					
Square feet	333,803	333,803	333,803	332,939	332,075
Capacity	2,259	2,494	2,494	2,510	2,510
Enrollment	2,538	2,988	3,080	3,028	2,653
S.D. Spady Elementary (1990) (Modernization 2005)					
Square feet	89,243	89,243	10,480	10,480	10,480
Capacity	697	419	419	419	419
Enrollment	561	496	514	504	609



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

	Fiscal Year				
	2006	2005	2004	2003	2002
Sandpiper Shores Elementary (1970)					
Square feet	99,167	92,447	92,447	92,447	92,447
Capacity	698	790	790	790	790
Enrollment	757	755	758	728	825
Santaluces High (1965) (Addition 2005)					
Square feet	357,521	333,350	333,350	333,350	333,350
Capacity	2,294	2,466	2,466	2,488	2,488
Enrollment	2,162	3,068	3,146	2,957	2,969
Seminole Ridge High (2006)					
Square feet	376,677	-	-	-	-
Capacity	2,470	-	-	-	-
Enrollment	1,857	-	-	-	-
Seminole Trails Elementary (1965)					
Square feet	117,542	117,542	117,542	117,542	117,542
Capacity	662	786	786	808	826
Enrollment	968	1,013	996	906	945
South Grade Elementary (1926) (Modernization 1999)					
Square feet	100,455	96,615	96,615	95,751	93,159
Capacity	611	834	834	808	808
Enrollment	789	857	841	866	913
South Olive Elementary (1988)					
Square feet	98,822	97,862	97,862	97,862	97,862
Capacity	626	810	810	663	663
Enrollment	684	708	702	623	783
Spanish River High (1965)					
Square feet	322,425	322,425	322,425	322,425	322,425
Capacity	2,229	2,425	2,425	2,378	2,378
Enrollment	2,190	3,246	3,317	3,232	3,174
Starlight Cove Elementary (1988)					
Square feet	109,091	109,091	109,091	109,091	109,091
Capacity	756	1,000	1,000	975	975
Enrollment	752	914	892	945	916
Suncoast High (1955)					
Square feet	178,365	176,445	176,445	176,445	169,533
Capacity	1,130	1,088	1,088	1,088	1,088
Enrollment	1,316	1,356	1,365	1,361	1,304
Sunrise Park Elementary (2000)					
Square feet	124,434	122,514	122,514	122,514	112,914
Capacity	774	989	989	989	962
Enrollment	1,049	961	965	857	785
Timber Trace Elementary (1990)					
Square feet	109,884	109,884	109,884	84,324	84,324
Capacity	991	835	835	825	825
Enrollment	916	958	935	864	816
Tradewinds Middle (2005)					
Square feet	191,938	191,938	-	-	-
Capacity	1,121	1,325	-	-	-
Enrollment	1,262	1,248	-	-	-
U.B. Kinsey/Palmview Elementary (1932) (Modernization 2004)					
Square feet	101,357	101,357	101,357	59,757	18,157
Capacity	659	677	677	677	623
Enrollment	602	613	615	617	676



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

	Fiscal Year				
	2006	2005	2004	2003	2002
Verde Elementary (1980)					
Square feet	103,330	99,490	99,490	93,730	93,730
Capacity	698	759	759	759	759
Enrollment	786	767	763	717	771
Village Academy (1999)					
Square feet	102,389	102,389	102,389	102,389	102,389
Capacity	657	877	877	517	487
Enrollment	534	416	419	352	278
Washington Elementary (1964)					
Square feet	77,514	77,514	77,514	77,514	77,514
Capacity	484	622	622	590	590
Enrollment	500	506	504	524	611
Waters Edge Elementary (1985)					
Square feet	115,741	115,741	115,741	115,741	115,741
Capacity	764	1,020	1,020	1,020	1,020
Enrollment	1,046	1,155	1,139	1,161	1,101
Watson B. Duncan Middle (1960)					
Square feet	162,768	156,976	156,976	156,976	156,976
Capacity	1,065	1,166	1,166	1,166	1,166
Enrollment	1,209	1,206	1,197	1,228	1,347
Wellington High (1965)					
Square feet	330,559	330,559	330,559	330,559	330,559
Capacity	2,278	2,499	2,499	2,522	2,522
Enrollment	2,593	3,106	3,134	3,743	3,362
Wellington Elementary (1970)					
Square feet	119,833	119,833	119,833	119,833	116,953
Capacity	770	934	934	934	934
Enrollment	925	997	991	1,017	1,062
Wellington Landings Middle (1970)					
Square feet	195,987	194,258	162,872	162,872	155,192
Capacity	1,471	1,107	1,107	1,067	1,067
Enrollment	1,161	1,543	1,553	1,547	1,464
West Boca Community High (2005)					
Square feet	371,432	371,432	-	-	-
Capacity	2,500	1,811	-	-	-
Enrollment	2,155	1,621	-	-	-
West Gate Elementary (2001)					
Square feet	130,515	125,715	125,715	125,715	112,275
Capacity	734	999	999	1,055	1,014
Enrollment	979	939	920	868	753
West Riviera Elementary (1966)					
Square feet	89,607	89,607	89,607	89,607	89,607
Capacity	752	930	930	921	921
Enrollment	517	452	423	480	843
Western Pines Middle (1970)					
Square feet	151,020	151,020	151,020	151,020	151,020
Capacity	1,091	1,341	1,341	1,341	1,341
Enrollment	1,364	1,635	1,621	1,605	1,551
Westward Elementary (1961)					
Square feet	85,009	85,009	85,009	85,009	85,009
Capacity	661	741	741	741	741
Enrollment	598	700	684	659	721



BUILDING INFORMATION
LAST FIVE FISCAL YEARS (UNAUDITED)

	Fiscal Year				
	2006	2005	2004	2003	2002
Whispering Pines Elementary (1984)					
Square feet	97,679	97,679	97,679	97,679	97,679
Capacity	609	825	825	825	825
Enrollment	618	684	695	727	782
William T. Dwyer High (1960)					
Square feet	331,073	331,073	331,073	285,072	285,072
Capacity	1,901	1,925	1,925	1,925	1,925
Enrollment	1,975	1,928	1,968	2,323	2,237
Woodlands Community Middle (1998)					
Square feet	197,761	197,761	197,761	197,761	197,761
Capacity	1,211	1,462	1,462	1,512	1,512
Enrollment	1,592	1,777	1,770	1,768	1,855
Wynnebrook Elementary (1966)					
Square feet	86,559	86,519	75,999	75,999	75,999
Capacity	781	673	673	705	705
Enrollment	845	700	683	636	1,072

NOTE: Capacity changes between FY2005 and FY2006 are due to State standard changes as a result of Constitutional Amendment # 9 – Class Size Reduction (CSR). •The SDPBC has an aggressive modernization program. Schools constructed after 2003 were appropriately sized to accommodate CSR.



MISCELLANEOUS STATISTICAL DATA (UNAUDITED)

PALM BEACH COUNTY (INCORPORATED - 1909)

County Seat	West Palm Beach
Geographic area	2,023 square miles

Climate

Average temperature	69.5 degrees	F
Average maximum	83.1 degrees	F
Average minimum	67.3 degrees	F
Average rainfall	61.4 inches	

Number of Public Schools

Elementary	104
Junior High and Middle Schools	32
High Schools	23
Special Schools	6
Total	<u>165</u>

Communications

Major newspapers:	Palm Beach Post Sun Sentinel
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Major television stations:	WPTV - 5 (NBC) WSVN - 29 (FOX) WPEC - 12 (CBS) WPBF - 25 (ABC)
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Telephone service:	Bell South
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Colleges/Universities

Colleges	Palm Beach Community College Palm Beach Atlantic College South College
Universities	Florida Atlantic University Northwood University

Transportation

Airports	Palm Beach International Airport Lantana Airport North County Airport Glades Airport
Seaport	Port of Palm Beach
Railroad - Passenger	Amtrak Tri-Rail
Railroad - Freight	Florida East Coast Seaboard Coast Line
Bus - Interstate/Intrastate	Greyhound Bus Lines
Bus - Local	Palm Beach County Transit Authority



The School Board of Palm Beach County is committed to excellence in education and preparation of all our students with the knowledge, skills and ethics for responsible citizenship and productive employment.