



**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA**

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**INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012**

**Prepared by:**

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

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA**

**INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
COMBINED BALANCE SHEET - ALL FUND TYPES	1
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE / NET POSITION - ALL GOVERNMENTAL FUND TYPES, PROPRIETARY FUNDS AND PRIVATE PURPOSE TRUST FUND	2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND	3
NOTES TO THE FINANCIAL STATEMENTS	4

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA**  
**COMBINED BALANCE SHEET - (MODIFIED ACCRUAL BASIS)**  
**ALL FUND TYPES**  
**SEPTEMBER 30, 2012**

(With prior year comparative totals)

	Governmental Fund Types				PROPRIETARY	PRIVATE	TOTALS (MEMORANDUM ONLY)		
	GENERAL	SPECIAL	DEBT	CAPITAL	FUND TYPE	PURPOSE	SEPTEMBER	SEPTEMBER	JUNE 2012
<u>ASSETS</u>		REVENUE	SERVICE	PROJECTS	INTERNAL	TRUST	2012	2011	
<b>ASSETS:</b>						FLORIDA			
Cash and investments	\$ 114,942,754	\$ 12,240,935	\$ 12,207,902	\$ 284,386,601	\$ 24,494,037	FUTURE	\$ 448,718,687	\$ 611,235,339	\$ 739,060,828
Taxes receivable (net of uncollectible taxes)	-	-	-	-	-	EDUCATORS	-	-	27,976,390
Accounts and interest receivable	1,379,006	-	-	-	-		1,379,006	1,619,363	1,167,505
Due from other governments or agencies	3,283,187	17,137,986	-	4,100,000	-		24,521,173	21,574,644	25,469,381
Inventories	1,717,666	4,027,089	-	-	-		5,744,755	7,857,885	8,524,868
Other assets	-	-	-	-	-		-	104	88,044
<b>TOTAL ASSETS</b>	<b>\$ 121,322,613</b>	<b>\$ 33,406,009</b>	<b>\$ 12,207,902</b>	<b>\$ 288,486,601</b>	<b>\$ 24,494,037</b>		<b>\$ 480,363,620</b>	<b>\$ 642,287,334</b>	<b>\$ 802,287,015</b>
<b>LIABILITIES AND FUND BALANCE / NET POSITION</b>									
<b>LIABILITIES:</b>									
Accounts and contracts payable and accrued items	\$ 10,486,638	\$ 2,757,806	\$ -	\$ 1,162,787	\$ 29,336	\$ -	\$ 14,436,567	\$ 12,157,057	\$ 29,724,958
Accrued payroll	12,057,379	1,097,393	-	42,520	8,033	-	13,205,326	12,997,682	78,789,500
Fringe benefits & taxes payable	21,875,687	1,538,151	-	58,789	9,978	-	23,482,604	16,492,949	27,317,832
Due to other governments or agencies	60	-	84,902	-	-	-	84,962	135,788	164,073
Retainage payable on contracts	-	14,782	-	2,734,028	-	-	2,748,810	5,019,259	4,228,848
Tax / Revenue anticipation notes payable	1,150,000	-	-	-	-	-	1,150,000	115,000,000	-
Deposits payable	180,382	-	-	-	-	-	180,382	171,088	142,467
Deferred revenue	3,283,187	1,832,183	-	4,100,000	-	-	9,215,370	6,787,338	7,871,170
Estimated unpaid claims	-	-	-	-	13,400,000	-	13,400,000	13,400,000	13,400,000
Compensated absences and OPEB	-	-	-	-	168,302	-	168,302	6,787,594	168,302
<b>TOTAL LIABILITIES</b>	<b>49,033,333</b>	<b>7,240,315</b>	<b>84,902</b>	<b>8,098,124</b>	<b>13,615,649</b>	<b>-</b>	<b>78,072,323</b>	<b>188,948,755</b>	<b>161,807,149</b>
<b>FUND BALANCE / NET POSITION:</b>									
Nonspendable	1,717,666	4,027,089	-	-	-	-	5,744,755	7,857,885	8,524,868
Restricted	22,308,845	20,940,114	12,122,999	231,427,831	-	446,459	287,246,247	362,352,343	408,778,182
Committed	-	1,198,491	-	-	-	-	1,198,491	1,548,753	1,290,041
Assigned	48,262,769	-	-	48,960,647	-	-	97,223,416	93,971,385	135,316,217
Unassigned	-	-	-	-	10,878,388	-	10,878,388	(12,391,786)	86,570,557
<b>TOTAL FUND BALANCE / NET POSITION</b>	<b>72,289,280</b>	<b>26,165,694</b>	<b>12,122,999</b>	<b>280,388,477</b>	<b>10,878,388</b>	<b>446,459</b>	<b>402,291,297</b>	<b>453,338,580</b>	<b>640,479,865</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE / NET POSITION</b>	<b>\$ 121,322,613</b>	<b>\$ 33,406,009</b>	<b>\$ 12,207,902</b>	<b>\$ 288,486,601</b>	<b>\$ 24,494,037</b>	<b>\$ 446,459</b>	<b>\$ 480,363,620</b>	<b>\$ 642,287,334</b>	<b>\$ 802,287,015</b>

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

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / NET POSITION**  
**ALL GOVERNMENTAL FUND TYPES AND PRIVATE PURPOSE TRUST FUND**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2012**  
(With prior year comparative totals)

	GOVERNMENTAL FUND TYPES				PRIVATE PURPOSE TRUST	TOTALS (MEMORANDUM ONLY)		PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FLORIDA FUTURE EDUCATORS	SEPTEMBER 2012	SEPTEMBER 2011	SEPTEMBER 2012	SEPTEMBER 2011
<b>REVENUES:</b>									
Local sources:									
Ad valorem taxes	4,805,037	-	-	1,099,420	-	5,904,458	6,379,073	-	-
Food service sales	69,527	2,150,712	-	-	-	2,220,239	2,694,815	-	-
Interest income	-	-	-	-	-	-	-	22,831	9,787
Premium income	-	-	-	-	-	-	-	21,447,371	26,690,146
Other income	7,038,710	673,225	15,000	377,396	2,981	8,107,312	8,699,180	89,545	6,378,234
Total local sources	11,913,275	2,823,937	15,000	1,476,816	2,981	16,232,009	17,773,068	21,559,746	33,078,167
State sources:									
Florida education finance program	50,649,252	-	-	-	-	50,649,252	28,437,935	-	-
Class Size Reduction	49,491,435	-	-	-	-	49,491,435	48,476,355	-	-
Other	5,067,605	56,430	-	692,764	-	5,816,799	5,773,363	-	-
Total state sources	105,208,292	56,430	-	692,764	-	105,957,486	82,687,653	-	-
Federal sources:									
Food service sales	-	8,407,260	-	-	-	8,407,260	7,450,865	-	-
Other	1,139,546	17,307,505	1,755,907	-	-	20,202,958	22,910,462	-	-
Total federal sources	1,139,546	25,714,765	1,755,907	-	-	28,610,218	30,361,326	-	-
<b>TOTAL REVENUES</b>	<b>118,261,113</b>	<b>28,595,132</b>	<b>1,770,907</b>	<b>2,169,580</b>	<b>2,981</b>	<b>150,799,712</b>	<b>130,822,048</b>	<b>21,559,746</b>	<b>33,078,167</b>
<b>EXPENDITURES:</b>									
Current:									
Instructional services	133,560,744	7,783,725	-	-	-	141,344,469	141,411,573	-	-
Instructional support services	14,827,839	9,341,691	-	-	-	24,169,530	24,974,829	-	-
Instructional related technology	879,834	1,754	-	-	-	881,587	1,281,971	-	-
Pupil transportation services	8,123,627	17,386	-	-	-	8,141,013	8,219,898	-	-
Operation and maintenance services	39,003,083	43,572	-	-	-	39,046,655	37,106,684	-	-
School administration	23,270,213	204,193	-	-	-	23,474,406	23,341,354	46,079,066	48,363,210
General administration	6,234,048	678,233	-	-	-	6,912,281	6,550,714	59,899	125,419
Food service	4,236	8,889,336	-	-	-	8,893,572	10,582,539	-	-
Community services and other	6,946,835	66,771	-	100	4,519	7,018,225	6,299,052	-	-
Capital outlay:									
Facilities acquisition and construction	109,226	-	-	4,813,456	-	4,922,683	4,713,380	-	-
Other capital outlay	-	-	-	3,821,219	-	3,821,219	5,470,184	-	-
Debt service:									
Retirement of principal	-	-	56,535,000	-	-	56,535,000	57,330,000	-	-
Payment of interest	-	-	40,566,104	-	-	40,566,104	38,980,230	-	-
Dues, fees and other	-	-	690,292	-	-	690,292	1,274,268	-	-
<b>TOTAL EXPENDITURES</b>	<b>232,959,685</b>	<b>27,026,661</b>	<b>97,791,396</b>	<b>8,634,776</b>	<b>4,519</b>	<b>366,417,037</b>	<b>367,536,675</b>	<b>46,138,966</b>	<b>54,755,488</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(114,698,572)</b>	<b>1,568,471</b>	<b>(96,020,490)</b>	<b>(6,465,196)</b>	<b>(1,538)</b>	<b>(215,617,325)</b>	<b>(236,714,627)</b>	<b>(24,579,219)</b>	<b>(21,677,322)</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating transfers in	18,479,538	-	444,647	-	-	18,924,185	18,122,164	-	-
Operating transfers out	-	-	-	(18,924,185)	-	(18,924,185)	(18,122,164)	-	-
Proceeds from issuance of refunded debt	-	-	67,145,000	-	-	67,145,000	112,425,000	-	-
Premium (discount) from issuance of long-term and refunded debt	-	-	10,990,044	-	-	10,990,044	7,676,659	-	-
Payment of refunded bonds	-	-	(77,968,550)	-	-	(77,968,550)	(119,130,625)	-	-
Proceeds from loss recoveries	1,841,482	-	-	-	-	1,841,482	1,053,485	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>20,321,020</b>	<b>-</b>	<b>611,141</b>	<b>(18,924,185)</b>	<b>-</b>	<b>2,007,975</b>	<b>2,024,519</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>(94,377,553)</b>	<b>1,568,471</b>	<b>(95,409,349)</b>	<b>(25,389,381)</b>	<b>(1,538)</b>	<b>(213,609,350)</b>	<b>(234,690,108)</b>	<b>(24,579,219)</b>	<b>(21,677,322)</b>
<b>BEGINNING FUND BALANCES / NET POSITION</b>	<b>166,666,832</b>	<b>24,597,223</b>	<b>107,532,348</b>	<b>305,777,858</b>	<b>447,997</b>	<b>605,022,258</b>	<b>700,420,474</b>	<b>35,457,607</b>	<b>9,285,535</b>
<b>ENDING FUND BALANCES / NET POSITION</b>	<b>\$ 72,289,280</b>	<b>\$ 26,165,694</b>	<b>\$ 12,122,999</b>	<b>\$ 280,388,477</b>	<b>\$ 446,459</b>	<b>\$ 391,412,908</b>	<b>\$ 465,730,366</b>	<b>\$ 10,878,388</b>	<b>\$ (12,391,786)</b>

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

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET TO ACTUAL**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

	BUDGET	SEPTEMBER 2012	VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET	SEPTEMBER 2011
<b>REVENUES</b>					
<b>Local sources:</b>					
Ad valorem taxes	\$ 795,917,815	\$ 4,805,037	\$ (791,112,778)	-99.4%	\$ 4,457,052
Child care fees	24,000,000	2,610,720	(21,389,280)	-89.1%	2,563,675
Course fees	2,360,000	271,063	(2,088,937)	-88.5%	135,187
Receipt of federal indirect cost rate	4,000,000	922,602	(3,077,398)	-76.9%	751,812
Interest income	640,000	-	(640,000)	-100.0%	(196,965)
Miscellaneous	21,352,494	3,303,853	(18,048,641)	-84.5%	4,707,765
<b>Total local sources</b>	<b>848,270,309</b>	<b>11,913,275</b>	<b>(836,357,034)</b>	<b>-98.6%</b>	<b>12,418,527</b>
<b>State sources:</b>					
Florida education finance program	188,759,226	50,649,252	(138,109,974)	-73.2%	28,437,935
Workforce development performance	18,795,768	4,698,939	(14,096,829)	-75.0%	4,457,082
Class size reduction	205,099,101	49,491,435	(155,607,666)	-75.9%	48,476,355
School recognition	8,888,725	-	(8,888,725)	-100.0%	-
Miscellaneous	4,385,372	368,666	(4,016,706)	-91.6%	444,155
<b>Total state sources</b>	<b>425,928,192</b>	<b>105,208,292</b>	<b>(320,719,900)</b>	<b>-75.3%</b>	<b>81,815,527</b>
<b>Federal sources:</b>					
Federal impact	6,000	321	(5,679)	-94.6%	-
ROTC	660,000	30,194	(629,806)	-95.4%	131,710
Medicaid reimbursement	5,700,000	1,109,031	(4,590,969)	-80.5%	11,432
<b>Total federal sources</b>	<b>6,366,000</b>	<b>1,139,546</b>	<b>(5,226,454)</b>	<b>-82.1%</b>	<b>143,143</b>
<b>TOTAL REVENUES</b>	<b>1,280,564,501</b>	<b>118,261,113</b>	<b>(1,162,303,388)</b>	<b>-90.8%</b>	<b>94,377,196</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Instructional services	962,107,870	133,560,744	828,547,126	86.1%	130,901,289
Pupil personnel services	41,214,610	5,030,271	36,184,339	87.8%	4,771,572
Instructional media services	18,827,595	2,638,596	16,188,999	86.0%	2,859,544
Instr & curriculum development services	28,719,872	5,084,661	23,635,210	82.3%	4,744,030
Instructional staff training	12,739,376	2,074,311	10,665,065	83.7%	2,291,279
Instruction related technology	5,780,568	879,834	4,900,734	84.8%	1,133,644
Total instructional support services	107,282,020	15,707,673	91,574,347	85.4%	15,800,069
Pupil transportation services	43,394,293	8,123,627	35,270,666	81.3%	8,177,728
Operation of plant	126,482,858	25,463,588	101,019,270	79.9%	25,525,018
Maintenance of plant	68,789,497	13,539,495	55,250,002	80.3%	11,567,558
Total operation & maint of plant	195,272,355	39,003,083	156,269,272	80.0%	37,092,576
School administration	92,281,283	20,191,143	72,090,140	78.1%	20,099,936
Central services	15,122,768	3,079,070	12,043,698	79.6%	3,037,262
Total school administration	107,404,051	23,270,213	84,133,838	78.3%	23,137,199
General administration	5,301,447	1,341,612	3,959,835	74.7%	1,291,591
Fiscal services	5,584,022	1,304,543	4,279,478	76.6%	1,228,977
Board of education	6,782,251	1,365,407	5,416,844	79.9%	1,227,940
Administrative technology services	8,158,176	2,222,485	5,935,691	72.8%	2,282,333
Total general administration	25,825,896	6,234,048	19,591,848	75.9%	6,030,842
Community services and other	37,700,423	6,951,071	30,749,351	81.6%	6,217,225
Facilities acquisition and construction	746,620	109,226	637,394	85.4%	345,751
<b>Debt Service:</b>					
Payment of interest	150,000	-	150,000	100.0%	-
<b>TOTAL EXPENDITURES</b>	<b>1,479,883,527</b>	<b>232,959,685</b>	<b>1,246,923,842</b>	<b>84.3%</b>	<b>227,702,680</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(199,319,026)</b>	<b>(114,698,572)</b>	<b>(84,620,454)</b>	<b>42.5%</b>	<b>(133,325,483)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in	83,845,643	18,479,538	65,366,105	78.0%	18,035,111
Operating transfers out	(80,500)	-	(80,500)	100.0%	-
Proceeds from loss recoveries	-	1,841,482	(1,841,482)		1,053,485
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>83,765,143</b>	<b>20,321,020</b>	<b>63,444,123</b>	<b>75.7%</b>	<b>19,088,596</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES &amp; OTHER FIN USES</b>	<b>(115,553,883)</b>	<b>(94,377,553)</b>	<b>(21,176,330)</b>	<b>18.3%</b>	<b>(114,236,887)</b>
<b>BEGINNING FUND BALANCE</b>	<b>166,666,832</b>	<b>166,666,832</b>			<b>-</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 51,112,949</b>	<b>\$ 72,289,280</b>			<b>\$ (114,236,887)</b>

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

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012**

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