

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Palm Beach County, Florida  
Fiscal Year Ended September 30, 2008



# ABOUT THE CLERK & COMPTROLLER'S OFFICE



**SHARON R. BOCK**  
Clerk & Comptroller  
Palm Beach County



**A**s the third largest of the 67 Clerk's offices in Florida, the Palm Beach County Clerk & Comptroller serves a local population of 1.3 million residents. The office performs more than 1,000 different functions and provides services from seven locations and online at [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com).

More than 170 years ago, the Florida Constitution established the Clerk & Comptroller as an independent public trustee, directly elected by the public to serve four major functions:

## CHIEF FINANCIAL OFFICER, TREASURER & AUDITOR

Provides the independent check and balance on Palm Beach County's revenue, debt and spending. Performs unbiased accounting and auditing of funds to ensure every County expense serves a public purpose. Invests and earns interest income on County funds to reduce the tax burden on the residents of Palm Beach County. Maintains financial records and produces all required financial statements and reports.

## CLERK OF THE CIRCUIT COURT

Protects the integrity of public records and public funds as an impartial, third-party directly accountable to the citizens. Receives, processes and files all civil and criminal court documents; disburses all court fees, fines and costs; and provides the public with access to court records. The Clerk also manages the County's jury system, issues marriage licenses and provides a Self Service Center for residents who choose to represent themselves in court proceedings.

## COUNTY RECORDER

Maintains the Official Records of the County dating back to 1909. Records documents such as mortgages, deeds, liens, judgments and marriage licenses and makes scanned images available online.

## CLERK OF THE BOARD OF COUNTY COMMISSIONERS

Prepares and maintains the records of all Palm Beach County Commission meetings and is the Clerk to the County's Value Adjustment Board.

Court case records, Official Records, financial information and County Commission meeting minutes and video are available on the Clerk & Comptroller's Web site [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com).

The Clerk & Comptroller has earned the Governor's Sterling Award for Organizational Performance Excellence; an Excellence, Values, Integrity and Ethics (EVIE) Award for Corporate Best Practices Not-for-Profit/Government; and was twice named a finalist for the Best Places to Work Award by the South Florida Business Journal. The office's financial reporting is also regularly recognized for excellence. The *Comprehensive Annual Financial Report* has earned the Government Finance Officers Association's Certificate of Achievement for 19 consecutive years.

**PALM BEACH COUNTY, FLORIDA**  
**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**Prepared By**  
**SHARON R. BOCK**  
**Clerk & Comptroller**  
**Palm Beach County**  
**Finance Department**



PALM BEACH COUNTY, FLORIDA

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

Fiscal Year Ended September 30, 2008

TABLE OF CONTENTS

	<b>PAGE</b>
<b>INTRODUCTORY SECTION</b>	
Transmittal Letter of the Clerk & Comptroller .....	i
Principal Officials.....	ix
Organization Chart.....	x
Certificate of Achievement for Excellence in Financial Reporting.....	xi
<b>FINANCIAL SECTION</b>	
<b>Report of Independent Certified Public Accountants .....</b>	<b>xiii</b>
<b>Management's Discussion and Analysis.....</b>	<b>xv</b>
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Assets .....	2
Statement of Activities .....	4
<b>Fund Financial Statements</b>	
Descriptions of Major Funds .....	7
Balance Sheet - Governmental Funds.....	8
Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets - Governmental Activities .....	10
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Governmental Activities .....	14
Statement of Net Assets - Proprietary Funds.....	16
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds .....	20
Statement of Cash Flows - Proprietary Funds.....	22
Statement of Fiduciary Net Assets - Agency Funds .....	26
<b>Notes to the Financial Statements.....</b>	<b>28</b>

Required Supplementary Information:

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for General Fund and Major Special Revenue Funds with Annually Appropriated Budgets:

- General Fund.....113
- Fire Rescue Special Revenue Fund .....114
- Sheriff Special Revenue Fund.....115

Schedules of Funding Progress - Pension Plans .....116

Schedules of Funding Progress – Other Post Employment Benefits .....117

**Combining and Individual Fund Statements and Schedules**

**Nonmajor Governmental Funds**

Descriptions.....119

Combining Balance Sheet - Nonmajor Governmental Funds.....122

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....128

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

**Special Revenue Funds:**

Tourist Development .....133

Law Enforcement Grants.....134

County Transportation Trust.....135

Municipal Service Taxing District.....136

Library Taxing District.....137

Community and Social Development .....138

Affordable Housing (SHIP) Trust Fund .....139

Hurricane Housing Recovery Plan Fund .....140

Palm Tran .....141

Other Special Revenue Fund .....142

Clerk & Comptroller .....143

Tax Collector.....144

Property Appraiser.....145

Supervisor of Elections .....146

**Debt Service Funds:**

General Obligation Bonds .....147

Revenue Bonds .....148

Other Financing .....149

**Capital Projects Funds:**

Criminal Justice .....150

Environmental Lands .....151

Fire Rescue .....152

Major Fund - General Government .....153

Libraries.....154

Parks and Recreation.....155

Major Fund - Road Program.....156

Street and Drainage .....	157
---------------------------	-----

**Internal Service Funds**

Descriptions .....	159
Combining Statement of Net Assets .....	160
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	161
Combining Statements of Cash Flows.....	162

**Agency Funds**

Descriptions .....	165
Combining Statement of Fiduciary Net Assets - Agency Funds .....	166
Combining Statement of Changes in Assets and Liabilities - All Agency Funds .....	167

**STATISTICAL SECTION**

Net Assets by Component.....	176
Changes in Net Assets.....	178
Fund Balance – Governmental Funds.....	182
Changes in Fund Balance – Governmental Funds .....	184
Tax and Intergovernmental Revenue by Source.....	186
Assessed Value and Estimated Actual Value of Taxable Property.....	188
Direct and Overlapping Property Tax Rates.....	190
Principal Property Tax Payers .....	191
Property Tax Levies and Collections.....	192
Non-Ad Valorem Revenue .....	194
Ratios of Outstanding Debt by Type.....	197
Ratios of General Bonded Debt Outstanding .....	198
Direct and Overlapping Governmental Activities Debt .....	199
Legal Debt Margin Information .....	200
Pledged Revenue Coverage .....	201
Demographic and Economic Statistics.....	203
Principal Employers.....	204
Full-Time Equivalent County Government Employees by Function/Program .....	206
Operating Indicators by Function/Program.....	207
Capital Asset Statistics by Function/Program.....	208



## INTRODUCTORY SECTION



The Introductory Section contains the letter of transmittal, which provides an overview of Palm Beach County's finances, economic prospects, and achievements. Also, included in this section is the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. It is the highest form of recognition in governmental financial reporting.





**SHARON R. BOCK**

Clerk & Comptroller  
Palm Beach County

March 16, 2009

To the residents of Palm Beach County, Florida and the  
Honorable Jeff Koons, Chairman, and the Members of the  
Board of County Commissioners:

The Palm Beach County, Florida, Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2008, is a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited by independent Certified Public Accountants in accordance with auditing standards generally accepted in the United States (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (GAGAS).

The CAFR was prepared by the Finance Department of the Clerk & Comptroller of Palm Beach County in accordance with Section 218.32, Florida Statutes. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk & Comptroller's office. Palm Beach County has established a comprehensive set of internal controls designed to ensure that the County's assets are protected from loss, theft or misuse, and that sufficient reliable accounting information is compiled to allow for financial statement preparation in conformity with GAAP. Since the cost of internal control should not exceed its expected benefit, the County's internal control structure has been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

**Independent Audits** - In accordance with Sections 11.45 and 125.01, Florida Statutes, the Palm Beach County financial statements were audited by McGladrey & Pullen LLP, an independent Certified Public Accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2008 are free of material misstatements. The independent audit involved 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; and evaluating the overall financial statement presentation. Based on their audit, the independent Certified Public Accountants concluded that there was a reasonable basis for rendering an unqualified opinion stating that the County's financial statements for the fiscal year ended September 30, 2008 were fairly presented in conformity with GAAP.

301 North Olive Avenue  
West Palm Beach, Florida 33401

P.O. Box 229  
West Palm Beach, Florida 33402

Telephone 561-355-2996  
Facsimile 561-355-6727

[www.pbcountyclerk.com](http://www.pbcountyclerk.com)

As a recipient of federal and state financial assistance, the County is responsible for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to these programs. This internal control structure is reviewed by the independent Certified Public Accountant in the annual Single Audit, which covers federal grants and other financial assistance; and the annual Florida Single Audit, which covers state grants and other financial assistance. The Single Audit was designed to meet the requirements of the Single Audit Act of 1984, Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as Section 215.97, Florida Statutes. Information related to this Single Audit, including a Schedule of Expenditures of Federal Awards and State Financial Assistance, the independent Certified Public Accountants' reports on compliance and internal controls, and a Schedule of Findings and Questioned Costs are included in a separately issued Single Audit report.

Management's Discussion and Analysis (MD&A) is a narrative required to accompany the basic financial statements. It provides an objective and easy to read analysis of the County's financial activities based on currently known facts, decisions, or conditions. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent Certified Public Accountants' report.

## **PROFILE OF THE GOVERNMENT**

Palm Beach County is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida.

The legislative and governing body of the County is the seven-member Board of County Commissioners. Each County Commissioner is elected on a district basis for a four-year term of office and each County Commissioner is a resident of their Commission District. The Commission elects a chairperson who serves as presiding officer. The Clerk & Comptroller's office is responsible for safeguarding public records and public funds. The Clerk is directly elected by and accountable to Palm Beach County residents. In addition to the roles of Clerk of the Circuit Court, County Recorder and Clerk of the Board of County Commissioners, the Clerk & Comptroller is the Chief Financial Officer, Treasurer and Auditor for Palm Beach County. As a result of a County-wide general election on November 6, 1984, Palm Beach County became a Home Rule Charter County on January 1, 1985, operating under a "County Manager" form of government with separation of legislative and executive functions. The County Administrator is responsible for the operations of all departments of the County, except for the elected Constitutional Officers, the joint State/County agencies or the staff departments that report directly to the Commission.

**Services Provided** - The County provides a full range of services including public safety (law enforcement and fire protection), conservation and resource management, public improvements, human services, parks, recreation and cultural facilities, planning and zoning, transportation, economic development, property assessment, tax collection, official recordkeeping, court-related support functions, and general administrative services. The County also operates several enterprise activities.

**Financial Reporting Entity** - The separately elected members of the Board of County Commissioners (BOCC) and the Constitutional Officers together are the elected officials who are accountable to the residents of Palm Beach County. The officials holding these offices as of September 30, 2008 are identified on the page immediately following this letter. The organizations of the BOCC and the Constitutional Officers together comprise the Palm Beach County primary government.

This report covers the Palm Beach County reporting entity which includes the primary government as well as the component units. Component units are legally separate entities for which the primary government is financially accountable. Component units are either classified as blended component units or discretely presented component units depending on the nature of the entity's relationship with the primary government.

The blended component units are included as a part of the primary government because although they are legally separate entities, in substance they are considered to be a part of the primary government's operations. The Solid Waste Authority of Palm Beach County is a blended component unit.

The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. The Housing Finance Authority of Palm Beach County, the Metropolitan Planning Organization, and the Westgate/Belvedere Homes Community Redevelopment Agency are reported as discretely presented component units.

More information on the financial reporting entity may be obtained in Note 1 of the Notes to the Financial Statements.

**Budgetary Controls** - The County's annual budget is prepared pursuant to Chapter 129, Florida Statutes, and represents the legal authority to levy taxes and expend funds for all County purposes. Florida Statutes also require that the County have a balanced budget. The County has complied with this requirement after inclusion of re-appropriated beginning fund balances, in accordance with the County's budget policy. The Office of Financial Management and Budget (OFMB) initiates the budget process by reviewing revenue and expenditure projections for the coming year. Based on the County Administrator's direction, OFMB prepares and distributes specific instructions to the various department heads and to the elected County Officers to guide them in the preparation of their budget requests. The County Administrator's tentative budget is prepared by OFMB and presented to the County Commission prior to July 15. The BOCC reviews the budget and makes such changes as it deems necessary. A summary of the tentative budget is advertised and publicly reviewed and revised prior to approval and adoption by the County Commission. For managerial purposes, the Board has delegated its authority to approve intradepartmental transfers to the Director of OFMB. All other amendments to the adopted budget must be approved by Board action at a regularly scheduled Board meeting.

## FACTORS AFFECTING FINANCIAL CONDITION

Palm Beach County is Florida's largest county in area and third largest in population. Growth has been the major influencing factor on the County during the last several years. Population has increased approximately 2.3% annually since 1990 but is now estimated to hold steady or even decline in future years. Also, significant investment has been made to develop the Biotechnology industry in Palm Beach County. Tourism, construction and agriculture have been and continue to be the leading industries in the County. In addition, the County and State have provided incentives to boost the manufacturing sector.

**Local Economy** - *Tourism* is among Palm Beach County's major industries generating a direct annual economic impact of \$2.8 billion in the local economy, producing \$23 million dollars in bed tax revenue and lodging sales of approximately \$623 million. The Palm Beach County Convention and Visitors Bureau (CVB) is the official destination marketing organization for the County. The CVB's 2020 Vision sees the economic impact in the County rising from \$2.8 billion to \$6 billion, visitors to the County growing from 4.7 million to 10 million, jobs in the County rising from 53,000 to 100,000, hotel rooms available in the county increasing from 16,000 to 25,000, and hotel occupancy levels rising from 67 percent to 80 percent.

*Aerospace* - Palm Beach County is particularly strong when it comes to aerospace engineering and manufacturing. Some 1,200 employees staff Pratt & Whitney's two West Palm Beach facilities. Pratt & Whitney is a world leader in the design, manufacture and service of aircraft engines, industrial gas turbines, and space propulsion systems. Sikorsky Aircraft Corporation, a sister company of Pratt & Whitney that manufactures helicopters, recently expanded its Florida Assembly and Flight Operations in Palm Beach County. The Business Development Board of Palm Beach County forecasts that this additional operation center will bring about 150 jobs to the area.

*Agriculture* - The western Palm Beach County agricultural acreage has remained stable for the last four years. Palm Beach County still leads Florida and all counties east of the Mississippi River in agricultural proceeds. Currently Palm Beach County ranks among the top counties in the United States and first in the state of Florida for agricultural sales. Palm Beach County leads the nation in the production of sugarcane and fresh sweet corn. It leads the state in the production of rice, bell peppers, lettuce, radishes, Chinese vegetables, specialty leaf produce, and celery. The 468,000 acres dedicated to agriculture represent 38 percent of the County's total land mass. It ranks third in Florida in nursery production with estimated sales at \$200 million, and leads the state in agricultural wages and salary with over \$300 million. The industry currently uses bagasse, a sugarcane by-product, in conjunction with other waste wood products as the fuel source for the largest agriculturally based biomass co-generation plant in the United States for electricity generation. Several crops are currently grown as potential sources for ethanol production. Equestrian acreage in western Palm Beach County continues to expand, currently ranking it as the second largest equine county in the state, behind Marion County.

*Bio-Technology & Manufacturing* - Electronics and other high tech products also play an important role in the County's local economy. The arrival of Scripps Research Institute is providing a boost to the area's technology industry. The County appropriated funding for the

construction of Scripps Facilities. Additionally, the Board approved \$87 million for the construction and operation of the Max Planck Florida Institute, which will consist of a 100,000 square foot research facility. These two internationally recognized Research Institutes will anchor an 8 million square foot Bioscience Cluster in Northern Palm Beach County. A “cluster” of related bio-tech businesses will form a hub around Scripps, strengthening the County’s position as a leader in this industry. At least 20 smaller bio-related companies have either expanded or moved to the County since Scripps arrived.

*Construction* – Palm Beach County has been experiencing a slowdown in construction, most particularly in the residential sector. Non-residential (commercial) construction has also shown an appreciative decrease during FY 2008. Permitted values of non-residential work equaled nearly \$116 million, representing a 33% decrease in value from the same period of the previous fiscal year. Factors affecting construction in Palm Beach County include the tightening of the credit markets, 10.4 months of available housing due in large part to speculative purchasing and foreclosures, increased unemployment numbers of current residents due to significant layoffs in the construction workforce, and fewer people moving to Florida in response to the overall economic downturn.

**Long-Term Financial Planning** - The BOCC adopted a millage rate of 3.7811 mills (excluding debt service) for Fiscal Year (FY) 2008, a decrease from the 4.28 mills rate in FY 2007. The FY 2008 budget provided funding at the level and quality of services expected by the residents of the County while maintaining a level of reserves sufficient to maintain the County’s AAA General Obligation bond rating. The total countywide millage rate, including voted debt, resulted in taxes per capita of \$512.00, down 8% from FY 2007.

Recent projects include: contracts for improvements to roadways; parking and terminal signs at Palm Beach International Airport; the creation of the Lake Okeechobee Regional Economic Alliance and the Homeless Advisory Board; a contract offering every county resident an average discount of twenty percent on prescription drugs; and a contract for the restoration and enhancement of a 51-acre wetlands section of John Prince Park known as Square Lake/East Slough.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution for property taxation. This amendment, referred to as Amendment 1, was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to *homestead* property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner.

In 2007, Amendment 1 was passed allowing property owners to transfer (make portable) up to \$500,000 of their “Save Our Homes” benefits to their next homestead when they move. The “Save Our Homes” amendment to the Florida Constitution, which became effective in 1995, caps the annual increase in assessed value for homestead property at 3 percent or the percentage change in the Consumer Price Index, whichever is less.

Annual increases in assessed value for *non-homestead property* (businesses, rental property, second homes, etc.) are capped at 10 percent, except for school district taxes.

Amendment 1 became effective on October 1, 2008, with the exception of the 10 percent assessment cap on *non-homestead* property which became effective on January 1, 2009.

In addition to the loss of revenue due to property tax reform, the County coffers are under pressure due to the downturn in the local real estate market. This downturn affects user fee revenue as well as ad valorem revenue for the County as there are fewer real estate sales and permits.

**Cash Management and Investments** - The majority of the County's investments are pooled into a consolidated account in order to maximize investment performance. In addition, a very limited number of restricted investment accounts have been established to comply with various bond covenants. The Clerk & Comptroller provides investment management for the Board of County Commissioners, the Sheriff, as well as Clerk & Comptroller accounts. All other constitutional officers and the Solid Waste Authority utilize other investment management services.

As Treasurer, the Clerk invests and earns interest income on County funds to reduce the tax burden on the residents of Palm Beach County. Investments include various U.S. Treasury and U.S. Agency obligations (including specific mortgage-backed securities), highly rated corporate debt, and money market funds.

As of September 30, 2008, the portfolio managed by the Clerk & Comptroller had an overall book yield of 4.70 percent, which is above the 3.62 percent benchmark set by the Investment Policy Committee. With investments averaging \$1.9 billion, the Clerk & Comptroller's office generated approximately \$92.7 million in interest income during the 2008 fiscal year.

On September 30, 2008, Standard & Poor's issued the highest credit and volatility rating categories to the Clerk & Comptroller-managed Palm Beach County investment portfolio. The portfolio received an 'AAAF' Fund Credit Quality Rating – indicating the portfolio has "extremely strong" protection against losses. It also received a 'S1' Volatility Rating – meaning it has low sensitivity to changing market conditions.

**Enterprise Operations** - The County operates the following three enterprise funds: the Department of Airports, the Water Utilities Department, and the Solid Waste Authority.

The *Department of Airports* operates four County-owned airports: Palm Beach International Airport located in West Palm Beach, and three general aviation airports located in Palm Beach Gardens, Lantana, and Pahokee.

The *Water Utilities Department* provides potable water, wastewater, and reclaimed water services to approximately 510,000 people located within approximately 1,200 square miles of the rapidly urbanizing, primarily unincorporated area of the County. In addition to serving unincorporated areas, the Department provides services directly to the residents and businesses of the Village of Royal Palm Beach, the City of Greenacres and the Town of Haverhill.

The *Solid Waste Authority* has the power to construct and operate solid waste disposal facilities sufficient to effectively manage all solid waste generated in the County. The Solid Waste Authority operated one active landfill site for the year ended September 30, 2008. In addition,

the Solid Waste Authority is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991.

**Risk Management** - The County is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, and natural disasters. The County is essentially self-insured for this coverage, but also maintains commercial insurance to provide specific excess coverage for property losses and aggregate excess coverage for all losses. The County also purchases excess claim bill liability coverage to protect against exposures related to Florida tort liability claims. The County has self-funded its workers' compensation exposure since 1969. This fund covers all employees of the Board of County Commissioners and all Constitutional Officers with the exception of the Sheriff's office which administers its own program. The County provides health insurance for its employees and eligible dependents. With the exception of the Constitutional Officers who have separately contracted for health insurance coverage, all funds of the County participate in the program.

**Retirement System** - The County participates in the Florida Retirement System, a public employee retirement system administered by the State of Florida. The plan is a multiple-employer cost sharing defined benefit plan which covers almost all officers and regular employees. Employees make no contributions to the plan. The County's contribution to the system for fiscal year 2008 was approximately \$94.4 million, which was equal to the required contributions for the year.

## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Palm Beach County, Florida, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2007. This was the 19th consecutive year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County has also received from the GFOA the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended September 30, 2007. This was the 2<sup>nd</sup> time a PAFR was created and the 2<sup>nd</sup> time that the County received this award. The award is given for those reports whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

In addition, Palm Beach County also received the GFOA's Award for Distinguished Budget Presentation for its annual adopted budget for the fiscal year beginning October 1, 2007. This was the 22nd time that Palm Beach County received this award. In order to qualify for the

Distinguished Budget Presentation Award, the budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated services of the entire Finance Department with special acknowledgment to the Accounting and Financial Reporting staff.

Our appreciation is also extended to the Board of County Commissioners, Constitutional Officers, County Administrator, Office of Financial Management and Budget and their respective staffs, as well as our external auditors McGladrey & Pullen LLP for making preparation of this report possible.

Respectfully submitted,

A handwritten signature in black ink that reads "Sharon R. Bock". The signature is written in a cursive, flowing style with a large initial "S".

SHARON R. BOCK, Esq.  
Clerk & Comptroller  
Palm Beach County, Florida

PALM BEACH COUNTY, FLORIDA  
PRINCIPAL OFFICIALS  
AS OF SEPTEMBER 30, 2008

BOARD OF COUNTY COMMISSIONERS

ADDIE L. GREENE  
County Commission Chair  
District #7

KAREN T. MARCUS  
County Commissioner  
District #1

MARY MCCARTY  
County Commissioner  
District #4

JEFF KOONS  
County Commissioner  
District #2

BURT AARONSON  
County Commissioner  
District #5

ROBERT J. KANJIAN  
County Commissioner  
District #3

JESS R. SANTAMARIA  
County Commissioner  
District #6

APPOINTED OFFICIALS

COUNTY ADMINISTRATOR ..... Robert Weisman

COUNTY ATTORNEY ..... Denise Nieman

COMMISSION AUDITOR ..... Joseph F. Bergeron

CONSTITUTIONAL OFFICERS

Sharon R. Bock  
CLERK & COMPTROLLER

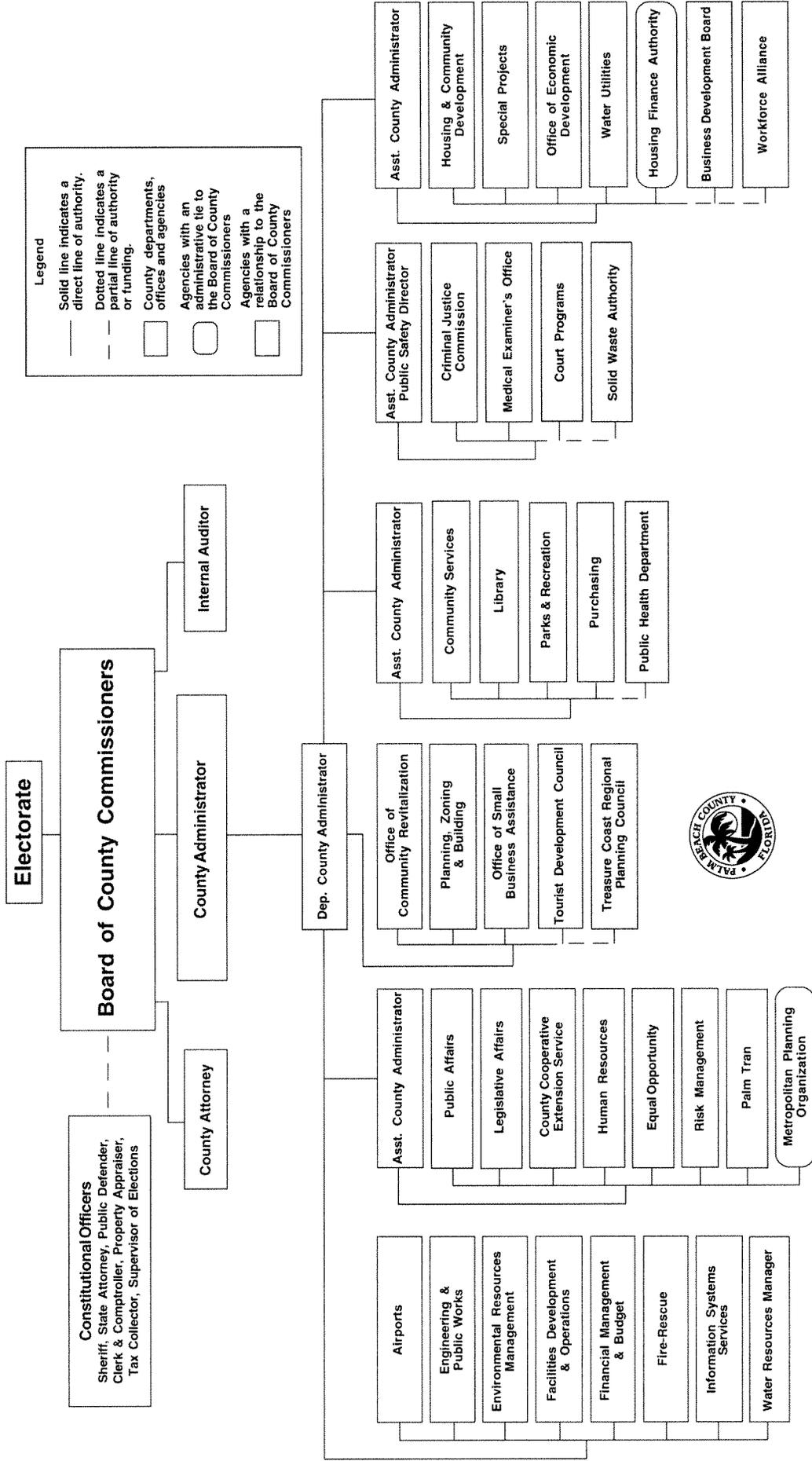
Arthur Anderson  
SUPERVISOR OF ELECTIONS

Gary R. Nikolits  
PROPERTY APPRAISER

Anne Gannon  
TAX COLLECTOR

Ric Bradshaw  
SHERIFF

# Palm Beach County Organizational Structure as of FY 2007-2008



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Palm Beach County  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2007

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.



President

Executive Director



## FINANCIAL SECTION



The Financial Section includes the Independent Auditor's Report, management's discussion and analysis, basic financial statements, required supplementary information, and combining and individual fund statements and schedules.



# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

Honorable Chair and Members of  
the Board of County Commissioners  
Palm Beach County, Florida

Honorable Ric L. Bradshaw  
Sheriff

Honorable Sharon R. Bock  
Clerk and Comptroller

Honorable Susan Bucher  
Supervisor of Elections

Honorable Gary R. Nikolits  
Property Appraiser

Honorable Anne Gannon  
Tax Collector

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Palm Beach County, Florida (the "County"), as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County'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 Solid Waste Authority, a major enterprise fund, which represents 31% of the total assets and 47% of total revenues of the business-type activities. We did not audit the financial statements of the Westgate Belvedere Homes Community Redevelopment Agency, a discretely presented component unit, which represents 48% of the total assets and 60% of total revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Housing Finance Authority, a discretely presented component unit, which represents 50% of the total assets and 13% of the total revenues 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 Solid Waste Authority, Westgate Belvedere Homes Community Redevelopment Agency, and Housing Finance Authority, is based on the reports of the 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Palm Beach County, Florida, as of September 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20 to the financial statements, the County changed its accounting policy for computing certain self insurance risk liabilities and expenses to the discounted method effective October 1, 2007. The County also adopted the provisions of Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which is disclosed in Note 9 to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2009 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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, the Budgetary Comparison Schedules – General Fund, Fire Rescue Special Revenue Fund and Sheriff Special Fund, and the schedules of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the 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 financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

West Palm Beach, Florida  
March 16, 2009

## MANAGEMENT'S DISCUSSION & ANALYSIS



The Management's Discussion and Analysis subsection provides a narrative introduction to and overview and analysis of the basic financial statements. It includes a description of the government-wide and fund financial statements, as well as an analysis of Palm Beach County's overall financial position and results of operations.



## **Management's Discussion and Analysis**

Our discussion and analysis provides an overview of the financial activities of Palm Beach County, Florida (the "County") for the fiscal year ended September 30, 2008. We encourage reading this narrative in conjunction with the additional information provided in the transmittal letter (beginning on page i) and the accompanying financial statements (beginning on page 2).

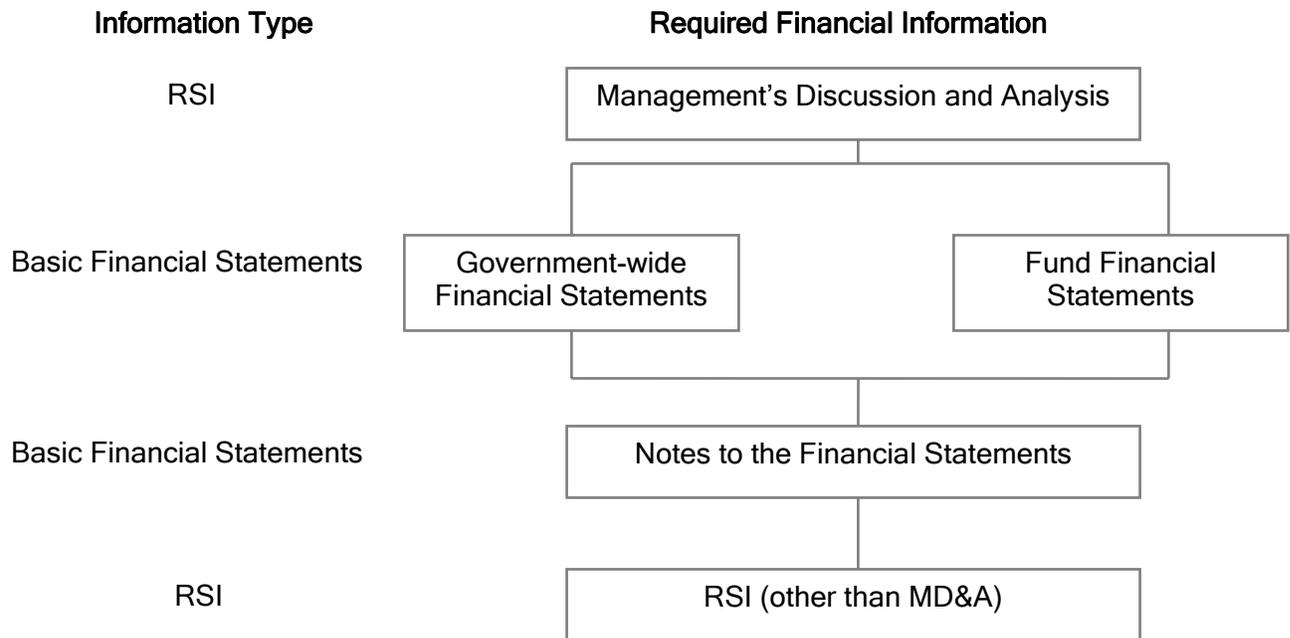
### **Financial Highlights**

- The County's assets exceeded its liabilities (net assets) by approximately \$3.946 billion and \$3.838 billion at the close of fiscal years 2008 and 2007, respectively. Of these amounts, \$2.482 billion and \$2.346 billion were invested in capital assets, net of related debt. In addition, \$803.0 million and \$788.2 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, \$661.2 million and \$704.3 million were available at year-end to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers.
- During the year, the County's net assets increased \$100.9 million, compared to an increase of \$277.5 during the previous fiscal year. This fiscal year, approximately \$97.3 million of the increase was from business-type activities, and approximately \$3.6 million of the increase was from governmental activities.
- At September 30, 2008, the County's governmental funds reported a combined ending fund balance of \$1.517 billion, an increase of \$106.7 million or 7.6% from the previous year.
- At September 30, 2008, the unreserved fund balance for the General Fund was \$218.6 million and the total fund balance was \$220.6 million which is a decrease of \$22.2 million or 9.2% from the previous year.
- The County's three enterprise funds, the Department of Airports, the Water Utilities Department, and the Solid Waste Authority had increases in net assets of \$6.4 million, \$33.5 million and \$56.3 million, respectively, over the previous year.
- The County's total liabilities at September 30, 2008 and 2007 were \$2.435 billion and \$2.195 billion, respectively.
- The County implemented the requirements of Governmental Accounting Standards Board Statement No. 45 in 2008 to account for Other Postemployment Benefits.

## Overview of the Financial Statements

This CAFR consists of the Basic Financial Statements and other statements. The County’s basic financial statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

### Minimum Financial Reporting Requirements



## Government-wide Financial Statements

The government-wide financial statements provide an overview of the County’s financial position using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. The statement of net assets presents information on the assets and liabilities of the County as a whole. The difference between assets and liabilities is reported as net assets. Changes in net assets may serve as an indicator of whether the financial position of the County is improving or deteriorating. The statement of activities presents information showing how the County’s net assets changed during the fiscal year. Changes in net assets are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the statement of activities will have cash flows in future fiscal periods. For example, certain sales taxes are shown as revenues although cash receipts will occur early in the following fiscal year. An increase in unused vacation leave is recorded as an expense although related cash outflows will occur in the future.

The government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) and

activities that are supported by the recovery of all or most of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation functions. The business-type activities of the County are the Department of Airports, the Water Utilities Department, and the Solid Waste Authority.

The government-wide financial statements include not only the County itself (known as the *primary government*, but also the legally separate entities for which the County is financially accountable (known as *component units*). The discretely presented component units of the County are the Metropolitan Planning Organization, the Housing Finance Authority of Palm Beach County, and the Westgate/Belvedere Homes Community Redevelopment Agency. The financial activity of these component units is reported separately from the financial information of the primary government.

To obtain the separately issued financial statements of the discretely presented component units, see *Note 1 – Summary of Significant Accounting Policies*, in the Notes to the Financial Statements for contact information.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions. All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental funds**

Most of the County's basic services are reported in governmental funds, which focus on how money or other spendable resources flow into and out of those funds and on the level of balances remaining at year-end that are available for expenditure. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations to help control current financial resources and demonstrate fiscal accountability. Governmental fund information helps determine the extent of financial resources that are available for expenditure on County programs. Reconciliations of the differences between the government-wide and fund financial statements are provided immediately after the *Balance Sheet-Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds*, respectively, in the *Basic Financial Statements*.

Funds that are significant in terms of revenues, expenditures, assets or liabilities are identified as *major* funds in the *Basic Financial Statements* and reported separately. Budget and actual comparison schedules are also presented as Required Supplementary Information for the General Fund and each major special revenue fund with an annually adopted budget. The County's nonmajor funds, and budget and actual comparisons schedules for any nonmajor funds with

annually appropriated budgets, are presented in the *Combining and Individual Fund Statements and Schedules* section of this report.

### **Proprietary funds**

The County uses both types of proprietary funds, Enterprise and Internal Service Funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Airports, Water Utilities, and Solid Waste operations. All three of these operations are considered to be major proprietary funds of the County. *Internal Service funds* are used to accumulate and allocate costs internally among the County's other functions. The County uses internal service funds to account for its Fleet Management, Graphic, Risk Management and Information System Services programs. These programs are included within governmental activities in the government-wide financial statements because they predominantly benefit governmental rather than business-type functions. The five internal service funds are combined into a single presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the *Combining and Individual Fund Statements and Schedules* section of this report. The proprietary fund financial statements can be found in the *Basic Financial Statements*.

### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Agency funds are the only type of fiduciary fund used by the County. The amounts in these agency funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. However, the *Statement of Fiduciary Net Assets – Agency Funds* in the *Basic Financial Statements* is provided for information on the agency funds. In addition, the individual agency funds are presented in the *Combining and Individual Fund Statements and Schedules* section of this report.

### **Notes to the financial statements**

The notes provide additional information that is essential for a more complete understanding of the data provided in the government-wide and fund financial statements.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general fund and major special revenue funds. The combining statements for the nonmajor funds, internal service funds, agency funds, as well as individual fund budget and actual comparison schedules are found in the *Combining and Individual Fund Statements and Schedules* section of this report.

## Government-wide Financial Analysis

Over time, net assets may serve as the most useful indicator of a government's financial position. At September 30, 2008 and 2007, the County's total net assets, or total assets less liabilities, were \$3.946 billion and \$3.838 billion, respectively. A significant portion of the County's net assets, \$2.482 billion or 62.9%, is identified as an investment in capital assets (such as land, buildings, equipment, infrastructure), less related debt outstanding that was used to acquire those assets. Since the County uses capital assets to provide services to its residents, the net assets represented by "invested in capital assets, net of related debt" are not available for future spending. In fact, the payment of maintenance and debt service costs on those capital assets will themselves require governmental resources.

Another portion of the County's net assets is restricted net assets which represent assets that are subject to constraints such as by debt covenants, grantors, laws or regulations. Unrestricted net assets are net assets that are available to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers.

As shown on the following chart, the County reported positive balances at September 30, 2008 and 2007, in all three categories of net assets, for governmental activities, business-type activities, as well as the County as a whole.

<b>Palm Beach County, Florida</b>						
<b>Net Assets at Year-End (in thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>TOTAL PRIMARY GOVERNMENT</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Assets</b>						
Current and other assets	\$ 1,836,507	\$ 1,745,922	\$ 576,324	\$ 575,790	\$ 2,412,831	\$ 2,321,712
Capital assets	2,224,082	2,096,057	1,744,052	1,615,468	3,968,134	3,711,525
Total assets	<u>4,060,589</u>	<u>3,841,979</u>	<u>2,320,376</u>	<u>2,191,258</u>	<u>6,380,965</u>	<u>6,033,237</u>
<b>Liabilities</b>						
Current	305,005	369,961	128,026	127,777	433,031	497,738
Long-term debt due in more than one year	1,369,953	1,097,067	631,923	600,357	2,001,876	1,697,424
Total liabilities	<u>1,674,958</u>	<u>1,467,028</u>	<u>759,949</u>	<u>728,134</u>	<u>2,434,907</u>	<u>2,195,162</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	1,259,901	1,258,859	1,221,939	1,086,676	2,481,840	2,345,535
Restricted	721,137	691,922	81,854	96,296	802,991	788,218
Unrestricted	404,593	424,170	256,634	280,152	661,227	704,322
Total net assets	<u>\$ 2,385,631</u>	<u>\$ 2,374,951</u>	<u>\$ 1,560,427</u>	<u>\$ 1,463,124</u>	<u>\$ 3,946,058</u>	<u>\$ 3,838,075</u>

## Governmental activities

Significant changes in the Statement of Net Assets are as follows:

- Capital assets for Governmental activities increased by \$128.0 million. Refer to the subsequent section on Capital assets for additional detail.
- The increase in long-term debt for Governmental activities of \$272.9 million consists primarily of issuing bonds for \$35 million for the Palm Beach County Sheriff's Office Mobile Technology Project; \$177 million for a new criminal justice facility; and \$98 million for Scripps, offset by current bond payments.

Governmental activities were responsible for a \$3.6 million increase in the County's net assets during fiscal year 2008, down significantly from the previous fiscal year increase of \$131.2 million. Governmental activities change in net assets this fiscal year represented 3.6% of the County's total growth in net assets. This year's smaller growth in net assets from governmental activities is attributed to significant decreases in two revenue categories:

- A decrease in property values accompanied by a reduction in the overall millage rates due to property tax reform resulted in less ad valorem tax revenue for the year. The assessed value of taxable property located in the county (after exemptions) fell from \$146.6 billion in 2007 to \$136.4 billion in 2008. This represented a decrease of \$10.2 billion or 6.9%. Gross property taxes levied for fiscal year 2008 fell from \$978.1 million in 2007 to \$931.8 million for 2008, a decrease of \$46.3 million or 4.7%.
- Investment income decreased \$11.7 million or 11.8% from the previous fiscal year primarily due to declining interest rates during the year.

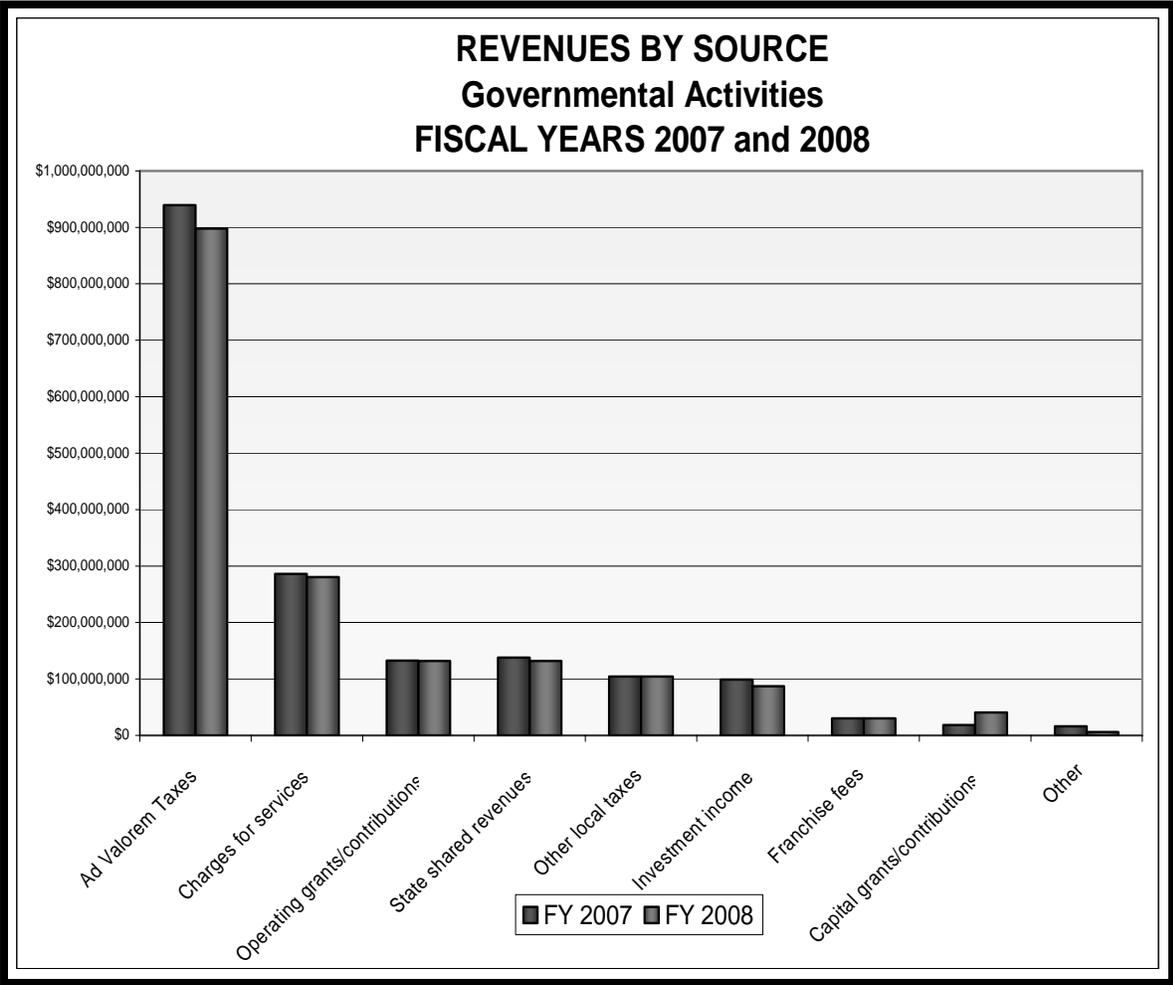
Key elements causing the increase in net assets during fiscal year 2008 appear on the following chart.

*Ad valorem tax* revenue decreased by \$41.8 million or 4.5% from the previous fiscal year. The decrease was primarily attributable to property tax reform and a decrease in taxable values.

*Public Safety* expenses increased \$38.9 million or 6.0% from the previous fiscal year. The increase was primarily due to increased operating costs of the Sheriff's Office.

*Economic Environment* expenses increased \$52.9 million or 33.0% from the previous fiscal year. The increase was primarily due to costs of funding the Scripps Research Institute for their permanent facilities and preparing the Briger site for development. This amount includes an impairment loss of \$37.8 million.

The County's governmental activities had net expenses of \$1.263 billion. However, these services are intended to be primarily funded by taxes and other general revenues as opposed to charges for service and grants. Total revenues (both program and general revenues) were less than total expenses by \$6.0 million.



**Business-type activities**

The County’s business-type activities had total revenues of \$467.3 million and had total revenues in excess of total expenses of \$107.0 million. Refer to the **Proprietary funds** section of **Financial Analysis of the Government’s Funds** which follows for more information on the County’s business-type activities. The significant change in the business-type activities Statement of Net Assets was due to Capital assets, which increased \$128.6 million during fiscal year 2008. Refer to the **Capital Assets** section for more information on the increase.

**Palm Beach County, Florida**  
**Changes in Net Assets (in thousands)**

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 280,461	\$ 285,765	\$ 389,007	\$ 380,467	\$ 669,468	\$ 666,232
Operating grants and contributions	132,136	132,204	18,761	43,763	150,897	175,967
Capital grants and contributions	40,630	18,203	59,477	57,147	100,107	75,350
	453,227	436,172	467,245	481,377	920,472	917,549
General Revenues:						
Ad valorem taxes	897,891	939,720			897,891	939,720
Other local taxes	104,426	104,310			104,426	104,310
State shared revenues	131,745	137,690			131,745	137,690
Franchise fees	30,040	30,005			30,040	30,005
Investment income	87,184	98,855			87,184	98,855
Other	6,093	16,446	77	20	6,170	16,466
Total revenues	1,710,606	1,763,198	467,322	481,397	2,177,928	2,244,595
<b>Expenses</b>						
General government	350,737	353,586			350,737	353,586
Public safety	687,643	648,701			687,643	648,701
Physical environment	25,796	28,637			25,796	28,637
Transportation	164,201	169,133			164,201	169,133
Economic environment	213,041	160,162			213,041	160,162
Human services	101,165	100,967			101,165	100,967
Culture and recreation	124,177	119,260			124,177	119,260
Interest expense	49,875	49,028			49,875	49,028
Department of Airports			71,747	66,277	71,747	66,277
Water Utilities Department			127,812	112,853	127,812	112,853
Solid Waste Authority			160,805	158,485	160,805	158,485
Total expenses	1,716,635	1,629,474	360,364	337,615	2,076,999	1,967,089
<b>Excess</b>	(6,029)	133,724	106,958	143,782	100,929	277,506
Transfers In (Out)	9,655	(2,528)	(9,655)	2,528	-	-
<b>Change in net assets</b>	3,626	131,196	97,303	146,310	100,929	277,506
Beginning net assets, restated	2,382,005	2,243,755	1,463,124	1,316,814	3,845,129	3,560,569
<b>Ending net assets</b>	\$ 2,385,631	\$ 2,374,951	\$ 1,560,427	\$ 1,463,124	\$ 3,946,058	\$ 3,838,075

**Financial Analysis of the Government's Funds**

As mentioned earlier, the County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions.

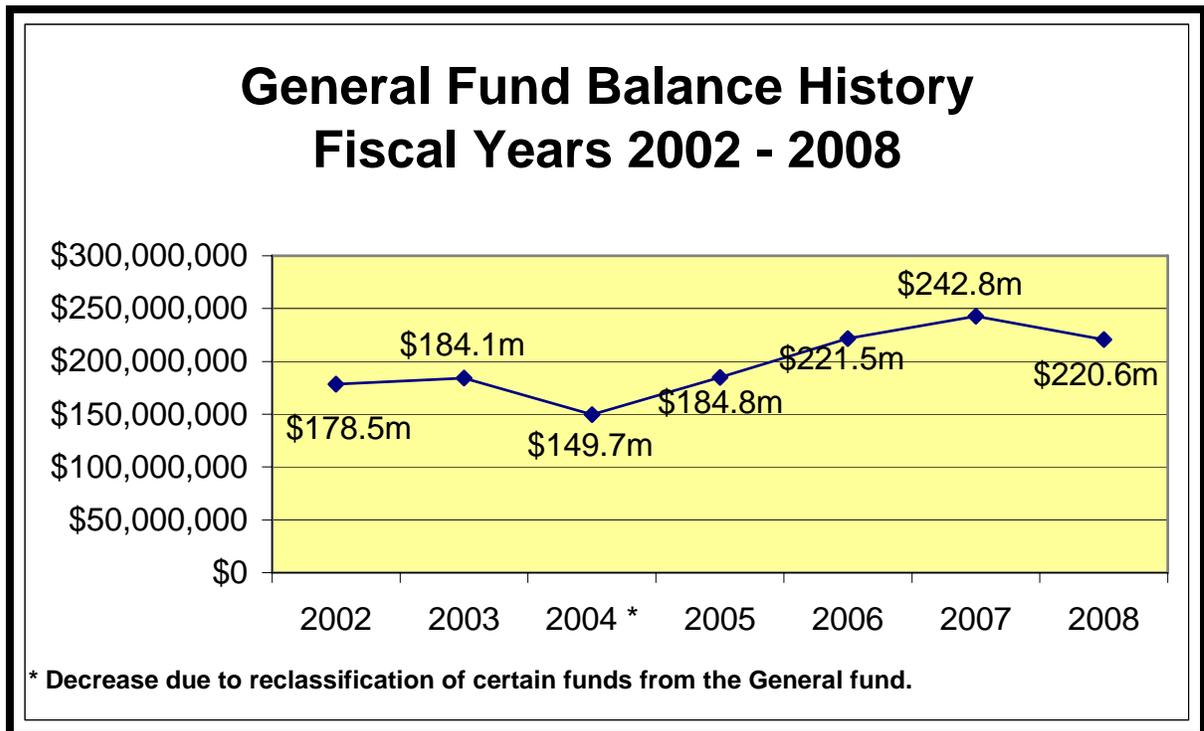
**Governmental funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful

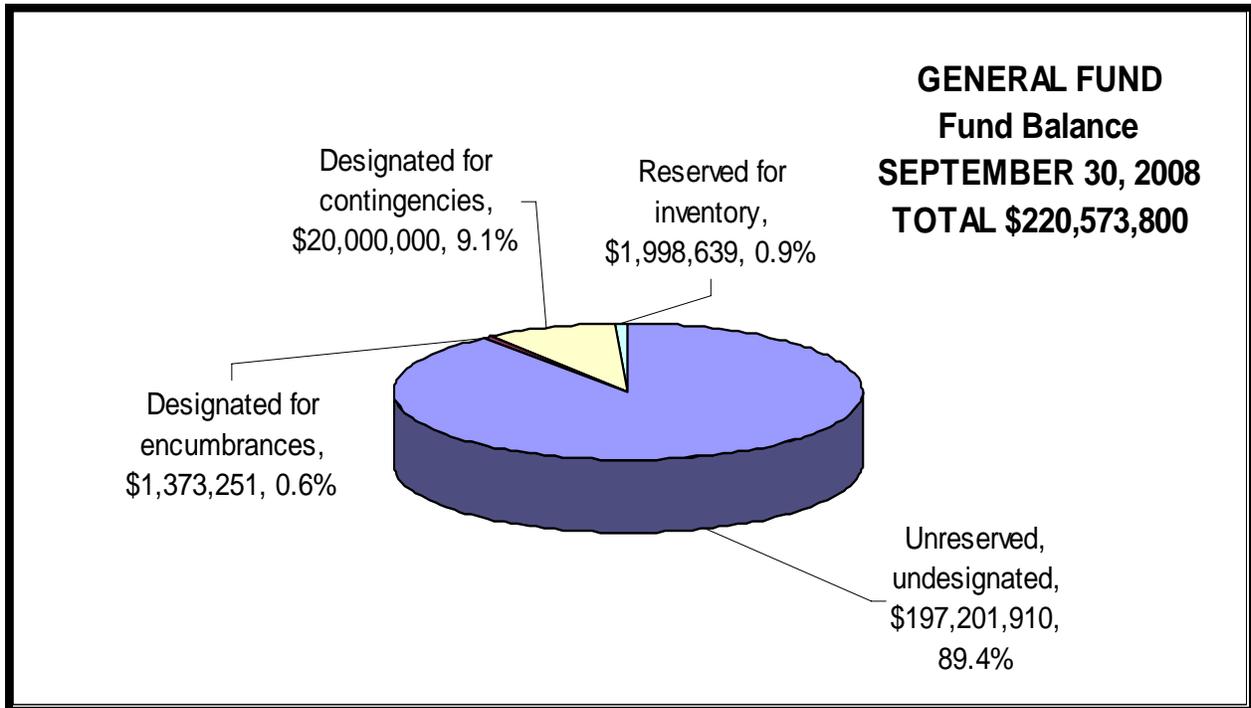
in determining the County's financing resources. Unreserved fund balance, in particular, is a useful measure of a government's net resources available for spending at the end of a fiscal year.

*Changes in Fund Balance – Governmental Funds*

The overall fund balance increase in the Governmental Funds is primarily the net result of activity in the various capital projects funds and some of the special revenue funds.

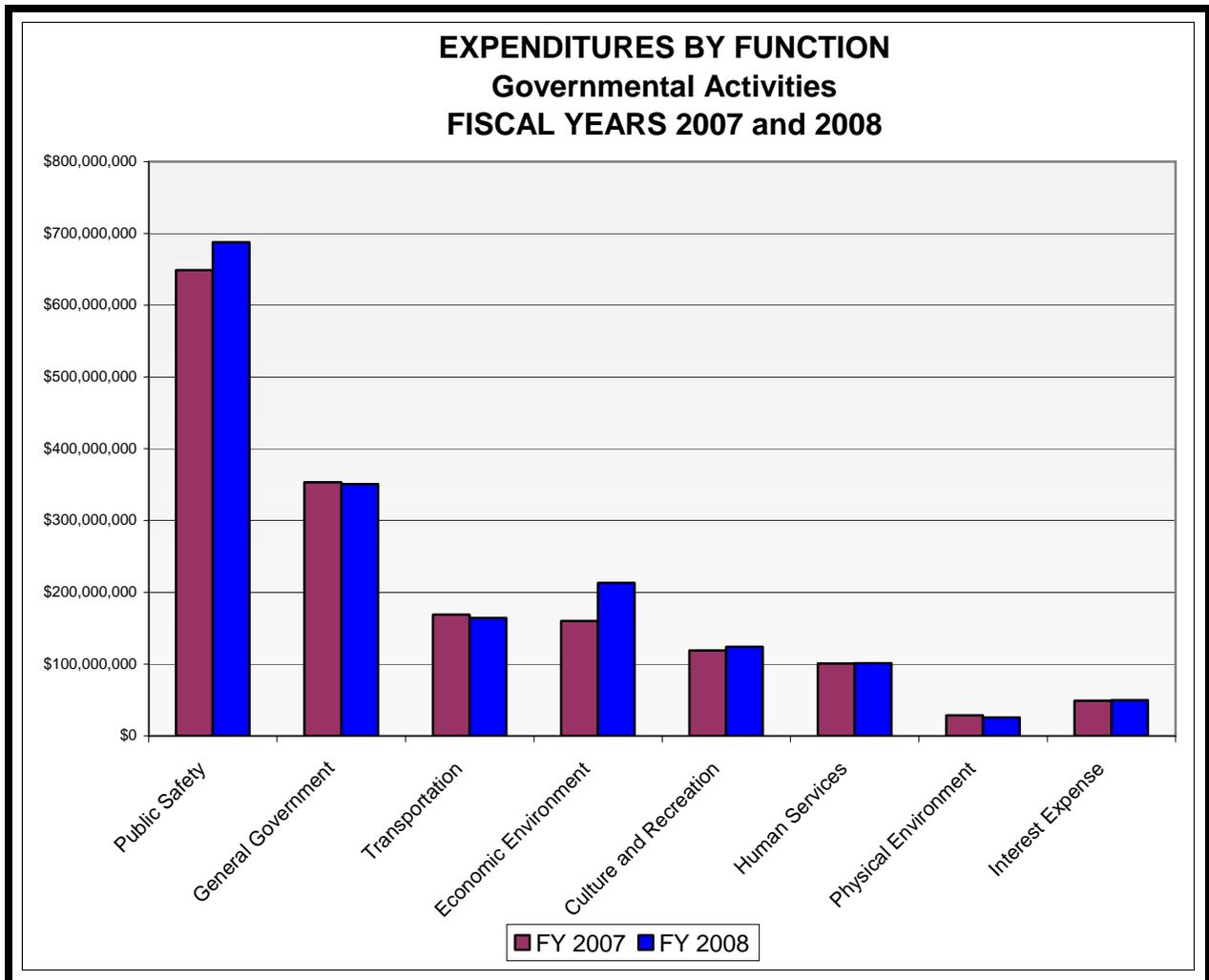
- General Fund decrease in fund balance can be attributed to the utilization of reserves designated for FY 2008 operating.





- The decrease of \$32.7 million in the General Government Capital Project fund was due to \$32 million in current year capital projects. The decrease of \$7.4 million for the Road Program Capital Projects fund was due to current year activity on capital projects of \$57 million offset by current year revenues.
- Fund balance in the Fire-Rescue special revenue fund increased due to a planned increase in reserves to offset future operating needs. Also, increased investment earnings and unexpended budget for disaster recovery is available for carry over.
- In FY 2008, \$22 million in ad valorem equivalent funding was provided for capital projects, including street and drainage improvements, new computer technology, and facility renovations. Additionally, bond/loan proceeds were recognized to fund other capital projects, including the Jail Expansion. These projects are multi-year projects, whose budgets are established at inception when the revenue is recognized. The expenditure budgets carry over into the ensuing years.

At September 30, 2008, the County's governmental funds reported combined ending fund balances of \$1.517 billion, an increase of \$106.7 million from the previous year. This increase was the result of a combination of the \$7.1 million decrease in the ending fund balance of the Road Program Capital Projects Fund; a decrease in the General Fund of \$22.2 million; an increase in the Fire Rescue Special Revenue Fund of \$17.5 million; an increase in the Sheriff Special Revenue Fund of \$1.1 million; a decrease in the General Government Capital Projects Fund of \$32.7 million and an increase in Other Governmental Funds of \$150.1 million.



**Proprietary funds.** The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Financial highlights of each of the County’s enterprise funds are as follows:

Department of Airports:

- ➔ Operating revenues decreased by 2%, dropping from \$66 million to \$64 million. The major component was a decrease in parking revenues of \$1 million due to decreased parking transactions caused by declining passenger traffic. During Fiscal Year 2007, the category “Other Revenues” included a write-down of the allowance for doubtful accounts for approximately \$500,000; this item was not repeated during fiscal year 2008, also contributing to the decrease in revenues. Various other revenue categories remained unchanged or slightly declined from the prior year.
- ➔ Operating expenses increased by 9%, increasing \$3.8 million to \$44.7 million in fiscal year 2008. General and Administrative expenses increased by 12% due to the leasehold

purchase of Specialty Restaurants for approximately \$750,000. Maintenance expense increased by 14%, increasing approximately \$758,000 to \$6.3 million; the increase was largely attributable to significant roadway repairs made during the fiscal year. Salary and benefits increased 9%, increasing \$944,000 to \$11.3 million; this is a result of cost of living and benefit increases plus the addition of 9 positions in the prior fiscal year which were not hired until late fiscal year 2007.

- ➔ 2008 Operating income after depreciation was a loss of \$2.6 million compared to a gain of \$5.1 million in 2007. This was due to decreased revenues and increased expenses as discussed above plus an increase in depreciation and amortization expense of \$2.3 million over the prior year.

#### Water Utilities Department:

- ◆ The Department's net assets increased by \$33.5 million, or 3.9%, during the year.
- ◆ Long-term debt (net of the current portion) decreased by \$14.4 million, or 7.8%, during the year.
- ◆ Operating revenues in fiscal year 2008 totaled \$115.3 million, a 13.9% increase. Fiscal year 2008 also included the effect of a 15% water restriction surcharge effective for five months beginning in May 2008 and a 0.7% increase in the customer base.
- ◆ Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled \$81.9 million, an increase of \$8.1 million or 11.0%.
- ◆ Non-operating income decreased by \$10.5 million, or 91.3% in fiscal year 2008.
- ◆ The Department showed a net loss before contributions of \$4.0 million for fiscal year 2008, a decrease of 175.6% from fiscal year 2007's net income before contributions of \$5.3 million.

#### Solid Waste Authority:

- 🏗️ The Authority's assets exceeded its liabilities (net assets) by approximately \$333.1 million at the close of fiscal year 2008. Of this amount, approximately \$103.4 million is considered unrestricted and pursuant to the Authority's trust indenture is available for renewal and replacement of the solid waste system and capital improvements.
- 🏗️ The Authority's revenues and capital contributions exceeded expenses by approximately \$56.3 million for fiscal year 2008.
- 🏗️ The Authority has begun an aggressive capital renewal and expansion program. This program includes the acquisition and development of a new landfill, the complete renovation of the Authority's waste-to-energy facility, the relocation and expansion of the materials recovery facility and preliminary steps toward the possible construction of additional waste-to-energy capacity. In fiscal year 2008, the Authority's capital assets

increased by approximately 20%. This capital expansion is expected to continue over the next several years.

On January 9, 2008 the Authority entered into an \$80 million non-revolving line of credit agreement (Series 2008 Note) to finance the initial costs associated with the capital expansion program.

The Authority's operating revenue remained relatively stable from the prior year (increasing by approximately 0.35%) and operating expenses increased minimally (approximately 3.0%). Non-operating income, however, declined more significantly as a result of lower investment earnings in fiscal year 2008 and higher than normal grant and insurance receipts in fiscal year 2007. The Authority's debt service coverage for fiscal year 2008 remained strong at 197% of debt service requirements.

### **Budgetary Highlights**

Budget and actual comparison schedules are provided as Required Supplementary Information for the General Fund and all major special revenue funds with annually appropriated budgets. Budget and actual comparison schedules are also provided in the Combining and Individual Fund Statements and Schedules section for all nonmajor funds with annually appropriated budgets. The budget and actual comparison statements and schedules show the original adopted budget, the final revised budget, actual results and a variance between the final budget and actual results. There were no funds with total actual expenditures in excess of the final revised budget.

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections or errors, new bond or loan proceeds, new grant awards and other revenues. During fiscal year 2008, supplemental appropriations to the Board of County Commissioners' budget excluding component units, were approximately \$635.5 million, or approximately 15.8% of the original adopted budget.

Differences between the original budget for fiscal year 2008 and the final amended budget for the General Fund can be summarized as follows:

- Reappropriations, which represent the "true up" of beginning fund balance to actual fund balance, accounted for \$21.6 million of the difference between adopted budget and the final budget. Additional budget amendments throughout the year accounted for the remaining increase in final budget.

#### *Budget to Actual Expenditures*

- General Fund budgeted reserves had a balance at year-end of \$155 million which represents 87% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into FY 2009 and will be reappropriated.
- The Tax Collector and Property Appraiser returned/under spent approximately \$6.9 million.
- The remaining unspent funds can be attributed to County departments, overall, spending less than budgeted.

*Budget to Actual Revenues*

General Fund collections exceeded budget for the year:

- Ad valorem tax collections were 96% of budget, in line with the historical collection rate. Florida Statutes require revenues to be budgeted at 95% of reasonably anticipated receipts. Palm Beach County budgets a negative 5% statutory reserve to accomplish this. Allowing for the reserve, ad valorem taxes were actually over-collected by \$9 million.
- Investment income exceeded budget by \$4 million or 35%.
- Charges for services exceeded budget by \$6.2 million or 10%. A significant portion of the difference is attributable to Police Service Charges earned by the Sheriff's Office.

*Budget to Actual – Other financing sources*

- Actual transfers in includes \$9.2 million of excess fees received from the Sheriff and Supervisor of Elections. The Clerk & Comptroller returned \$1.5 million less in excess fees than what was budgeted.

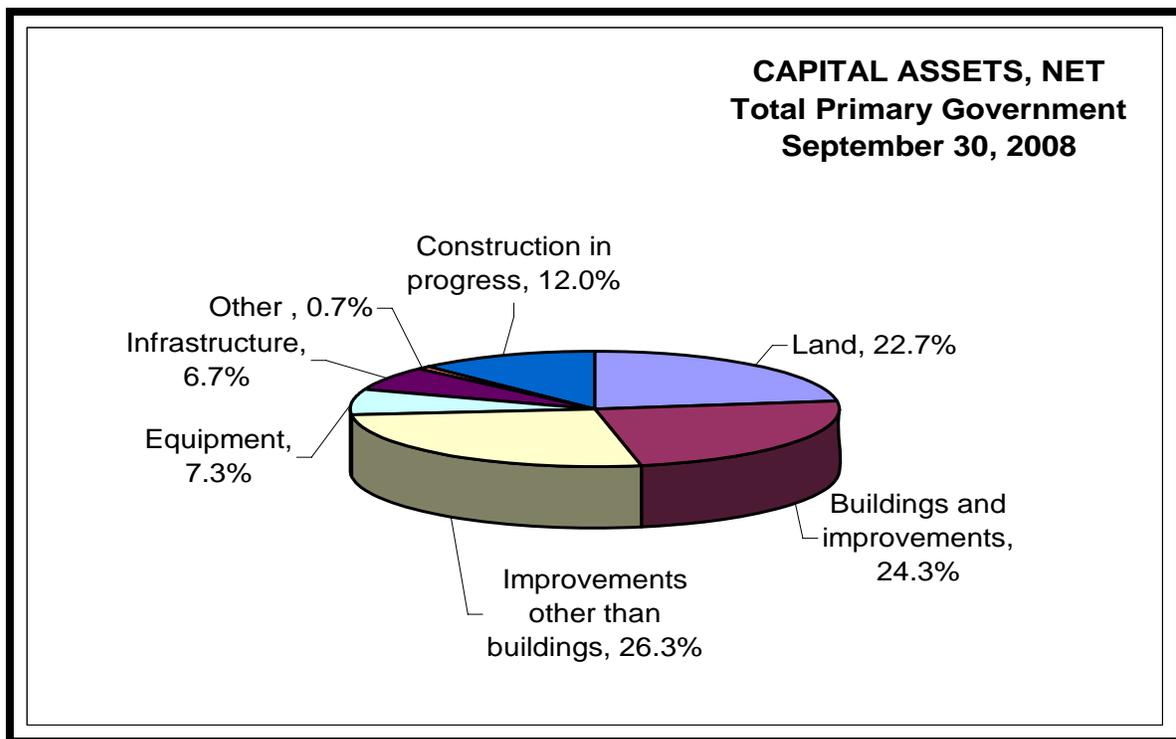
**Capital Assets and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2008, amounts to \$3.968 billion (net of accumulated depreciation). This investment in capital assets includes a broad range of capital assets, including land, buildings and improvements, improvements other than buildings, equipment, infrastructure, and construction in progress. The total increase in the County's capital assets for fiscal year 2008 was 6.9% (a 6.1% increase for governmental activities and an 8% increase for business-type activities).

Palm Beach County, Florida						
Capital Assets, net of Accumulated Depreciation at Year-End (in thousands)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2008	2007	2008	2007	2008	2007
Primary Government:						
Land	\$ 737,882	\$ 700,759	\$ 161,538	\$ 160,616	\$ 899,420	\$ 861,375
Buildings & improvements	560,661	514,835	405,499	305,701	966,160	820,536
Improvements other than buildings	138,380	126,738	903,850	779,446	1,042,230	906,184
Equipment	188,133	177,299	101,162	77,606	289,295	254,905
Infrastructure	267,960	241,558	-	-	267,960	241,558
Intangible - easement rights	-	-	12,944	11,613	12,944	11,613
Leasehold interest	-	-	9,055	10,257	9,055	10,257
Goodwill	-	-	6,652	5,032	6,652	5,032
Construction in progress	331,066	334,868	143,352	265,197	474,418	600,065
<b>TOTALS</b>	<b>\$ 2,224,082</b>	<b>\$ 2,096,057</b>	<b>\$ 1,744,052</b>	<b>\$ 1,615,468</b>	<b>\$ 3,968,134</b>	<b>\$ 3,711,525</b>

Major capital asset events during the fiscal year include the following:

- Various substantially completed projects during fiscal year 2008 include intersection improvements at Okeechobee Boulevard and Australian Boulevard for \$4.0 million, the Headstart/Senior Center for \$6.9 million, the Judicial Center garage 600 space expansion for \$14.3 million, and the South County Regional Park Environmental Center for \$2.8 million.
- Governmental activities Capital assets increased by \$128 million due to an increase of \$37 million in land acquisitions, \$46 million for buildings, and \$26 million for infrastructure.
- Major capital asset additions by the Water Utilities Department included the completion of the Lake Region Water Treatment Plant for \$58.0 million, the completion of Water Treatment Plant 8 Expansion for \$25.4 million and completion of the final phase of the Northern Region pipeline for \$10.7 million.
- During fiscal year 2008, the Solid Waste Authority's capital assets increased approximately \$85.3 million, which included approximately \$10.9 million for equipment, \$17.4 million for construction costs associated with the refurbishment of the waste-to-energy facility, \$15.9 million for costs associated with the construction of the biosolids pelletization facility and \$16.1 million for costs associated with the relocation of the materials recovery facility.
- The Department of Airports expended \$49.6 million on capital activities. Completed projects during 2008 totaling \$115 million were transferred from construction-in-progress to their respective capital accounts. The major project during fiscal year 2008 was construction of an additional long term parking garage which opened in January of 2008.



For more information on Capital Assets, refer to the *Notes to the Financial Statements*.

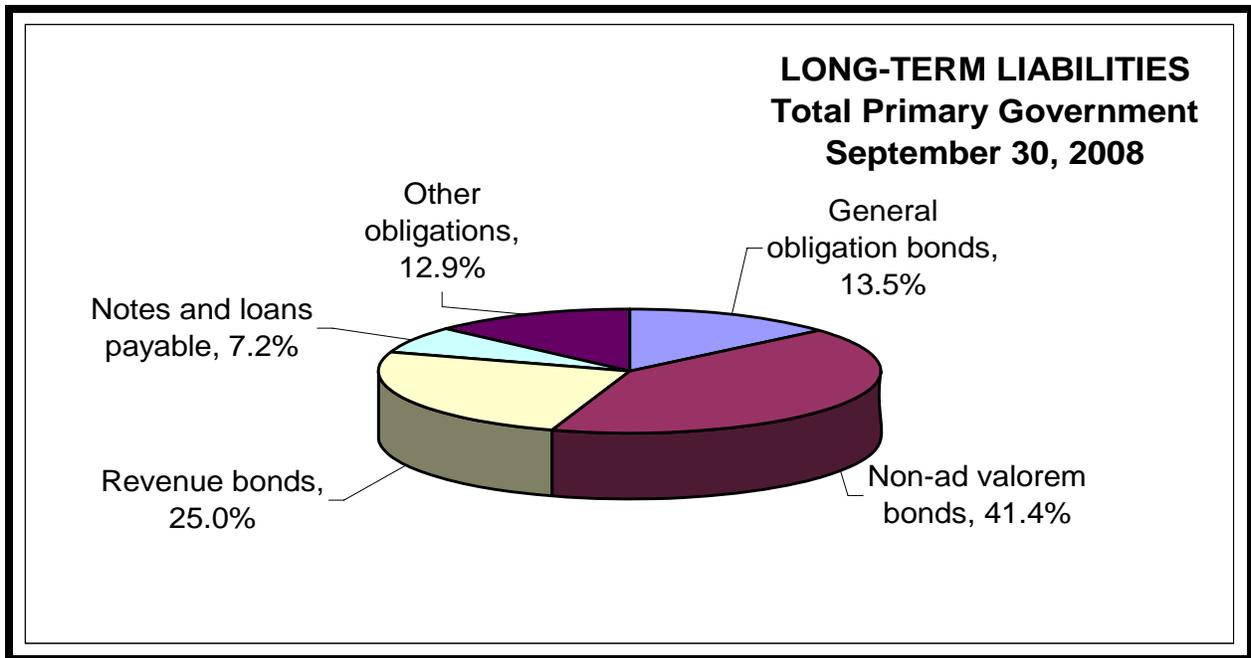
**Long-term liabilities.** At September 30, 2008, the primary government had 47 issues of bonded debt totaling \$1.734 billion. Of this amount, \$293 million comprises debt backed by the full faith and credit of the government, \$899 million is special obligation debt secured by dedicated revenue sources and \$542 million is secured by specified enterprise revenue sources. See chart below for more information.

Palm Beach County, Florida						
Long-Term Liabilities at Year-End (in thousands)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 292,974	\$ 316,245	\$ -	\$ -	\$ 292,974	\$ 316,245
Non-ad valorem revenue bonds	899,418	586,021	-	-	899,418	586,021
Revenue bonds	-	-	542,164	591,205	542,164	591,205
Notes and loans payable	75,494	129,057	80,000	250	155,494	129,307
Other obligations	211,899	203,410	68,672	60,884	280,571	264,294
<b>TOTALS</b>	<b>\$ 1,479,785</b>	<b>\$ 1,234,733</b>	<b>\$ 690,836</b>	<b>\$ 652,339</b>	<b>\$ 2,170,621</b>	<b>\$ 1,887,072</b>

**Bonded Debt.** The County's bond issues are rated by three primary bond rating agencies; Moody's Investors Service, Standard and Poor's and Fitch Ratings. These ratings, which are listed in the following chart, are indicative of the County's strong management team, broad-based economy, continually well-performing tax base, increasingly strong financial position, minimal debt requirements and high quality residential tax base. At September 30, 2008, the County's non-ad valorem revenues were 4.23 times the debt service required in the current or any future fiscal year.

<u>Type of Debt Issue</u>	<u>Moody's</u>	<u>Fitch Ratings</u>	<u>S&amp;P</u>
General obligation bonds	Aaa	AAA	AAA
Non-ad valorem revenue bonds	Aa1	AA+	AA+
Pooled financing loans	Aa1	-	-
Water and Sewer System Enterprise revenue bonds	Aaa	AAA	AAA
Water and Wastewater System Enterprise revenue bonds	Aaa	AAA	AAA
Airport System Enterprise revenue bonds	A2	A	A
Solid Waste Authority	Aa3	-	AA

Note: Highest rating: AAA/Aaa Investment grade ratings: AAA/Aaa through BBB/Baa, Lowest Rating: C



For more information on Long-Term Debt, refer to the *Notes to the Financial Statements*.

### **Economic Factors**

Local, national, and international economic factors influence the County's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, fuel taxes, charges for services, state revenue sharing as well as state and federal grants. Economic growth may be measured by a variety of indicators such as employment growth, unemployment, new construction and assessed values, diversification of the property tax base, and Enterprise Fund revenue and net asset growth.

- During fiscal year 2008, the Florida Legislature continued to impose significant restrictions on the ability of municipalities and counties to increase ad valorem millage rates.
- The civilian labor force for Palm Beach County rose from 650,548 at September 2007 to 655,669 at September 2008, an increase of less than 1%. The County's unemployment rate increased to 7.3% at September 2008 compared to 4.8% at September 2007.
- Palm Beach International Airport total passengers decreased from 387,554 during the month of September 2007 to 321,695 in the month of September 2008, a decrease of 17%.
- The assessed value of taxable property located in the County (after exemptions) decreased from \$146.6 billion in 2007 to \$136.4 billion in 2008. This represented a decrease of \$10.2 billion or 6.9%.

- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 7.7% of the total ad valorem property taxes levied.
- Occupational licenses sold in Palm Beach County during the month of September 2007 rose from 1,145 to 1,325 during the month of September 2008, an increase of 15.7%.
- Gross property taxes levied for fiscal year 2008 fell from \$978.1 million in 2007 to \$931.8 million for 2008, a decrease of \$46.3 million or 4.7%.
- Building permits issued in Palm Beach County for both single family and multi-family units fell from 993 in the second quarter of 2007 to 321 during the same period in 2008.
- Foreclosure filings in Palm Beach County rose from 10,485 during FY 2007 to 25,986 during FY 2008, an increase of almost 148%.

More information on economic factors is provided in the *Statistical Section*.

### **To Obtain Further Information**

This financial report was designed to provide an overview of the County's finances. If you have any questions concerning budgets, long-term financial planning, future debt issuances, or questions related to the management of County operations, please contact the County Administrator at:

County Administrator  
301 North Olive Avenue, 11<sup>th</sup> Floor  
West Palm Beach, FL 33401

If you have any questions concerning the Basic Financial Statements or other accounting information in this report, please contact the Financial Reporting Manager at:

Clerk & Comptroller, Palm Beach County  
Finance Department  
301 North Olive Avenue, 2<sup>nd</sup> Floor  
West Palm Beach, FL 33401

## BASIC FINANCIAL STATEMENTS



The Basic Financial Statements subsection includes the government-wide financial statements, which incorporate governmental and business type activities of Palm Beach County and activities of component units in order to provide an overview of the financial position and results of operation for the reporting entity. This subsection also includes the fund financial statements of the County and the accompanying notes to the financial statements.





PALM BEACH COUNTY, FLORIDA  
Statement of Net Assets  
September 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents - internal investment pool (note 2)	\$ 1,628,737,444	\$ 139,234,803	\$ 1,767,972,247
Cash and cash equivalents - separate accounts	106,252,019	302,696,014	408,948,033
Investments - separate accounts	920,805	23,010,932	23,931,737
Interest receivable - separate accounts	288,719	1,842,957	2,131,676
Accounts receivable, net	19,866,736	31,218,169	51,084,905
Internal Balances	(6,407,115)	6,407,115	-
Due from primary government	-	-	-
Due from other governments	35,744,039	2,120,692	37,864,731
Due from component units	5,294	-	5,294
Inventory	13,857,353	8,168,033	22,025,386
Other assets	8,869,805	3,655,106	12,524,911
Other receivable - noncurrent	18,358,941	20,063,137	38,422,078
Investment in joint venture	-	33,340,114	33,340,114
Deferred issue costs	10,013,218	4,566,542	14,579,760
Capital assets (note 4)			
Non-depreciable capital assets	1,068,948,483	304,890,010	1,373,838,493
Depreciable capital assets, net	1,155,133,348	1,439,162,092	2,594,295,440
<b>Total assets</b>	<b>\$ 4,060,589,089</b>	<b>\$ 2,320,375,716</b>	<b>\$ 6,380,964,805</b>
<b>LIABILITIES</b>			
Vouchers payable and accruals	\$ 126,099,136	\$ 39,979,701	\$ 166,078,837
Due to primary government	-	-	-
Due to other governments	16,293,402	7,219,960	23,513,362
Due to component units	266,086	-	266,086
Due to individuals	735,900	4,462,876	5,198,776
Accrued interest payable	16,001,975	11,995,809	27,997,784
Unearned revenue	21,072,982	1,190,112	22,263,094
Other current liabilities	14,703,946	4,264,731	18,968,677
Long-term liabilities (note 17)			
Long-term liabilities due within one year	109,832,018	58,912,912	168,744,930
Long-term liabilities due more than one year	1,369,952,801	631,922,882	2,001,875,683
<b>Total liabilities</b>	<b>\$ 1,674,958,246</b>	<b>\$ 759,948,983</b>	<b>\$ 2,434,907,229</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 1,259,900,977	\$ 1,221,939,326	\$ 2,481,840,303
Restricted for:			
Debt service	34,738,955	22,912,026	57,650,981
Capital projects	484,466,675	25,945,266	510,411,941
School district impact fee land acquisition	1,847,217	-	1,847,217
Library taxing district	40,149,847	-	40,149,847
Fire rescue taxing district	127,693,316	-	127,693,316
Tourist development tax programs	28,491,977	-	28,491,977
Grants and other	3,749,007	32,996,229	36,745,236
Unrestricted (deficit)	404,592,872	256,633,886	661,226,758
<b>Total net assets</b>	<b>\$ 2,385,630,843</b>	<b>\$ 1,560,426,733</b>	<b>\$ 3,946,057,576</b>

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

Component Units

Metropolitan Planning Organization	Housing Finance Authority	Westgate/ Belvedere Homes Community Redevelopment Agency
\$ -	\$ -	\$ -
100	8,116,350	1,635,479
-	269,629	401,320
-	8,505	-
2,500	-	-
-	-	-
266,086	-	-
-	-	-
-	-	-
-	65,702	3,270,394
-	-	-
-	-	-
-	-	100,833
-	-	2,429,820
-	-	331,937
<u>\$ 268,686</u>	<u>\$ 8,460,186</u>	<u>\$ 8,169,783</u>
\$ 67,136	\$ 179,988	\$ 104,157
5,294	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	175,000	3,500
1,445	-	684,513
204,979	-	4,400,299
<u>\$ 278,854</u>	<u>\$ 354,988</u>	<u>\$ 5,192,469</u>
\$ -	\$ -	\$ 2,502,757
-	-	323,491
-	-	1,128,429
-	-	-
-	-	-
-	-	-
-	-	-
-	53,678	-
(10,168)	8,051,520	(977,363)
<u>\$ (10,168)</u>	<u>\$ 8,105,198</u>	<u>\$ 2,977,314</u>

PALM BEACH COUNTY, FLORIDA  
Statement of Activities  
For the fiscal year ended September 30, 2008

	Expenses		Program Revenues		
	Direct	Indirect	Fines, Fees and Charges for Services	Operating Grants, Contributions and Restricted Interest Income	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities					
General Government	\$ 366,005,492	\$ (15,270,788)	\$ 129,124,303	\$ 15,352,795	\$ 24,259,066
Public Safety	681,787,114	5,855,833	98,503,611	17,047,130	303,720
Physical Environment	25,796,346	-	4,997,300	7,884,089	8,648,737
Transportation	163,081,369	1,119,985	26,379,224	32,559,877	6,430,289
Economic Environment	212,478,789	562,374	3,227,522	26,515,514	162,159
Human Services	100,793,195	371,596	5,897,399	31,503,545	386,149
Culture and Recreation	121,455,602	2,721,832	12,332,208	1,272,383	440,000
Interest Expense	49,875,129	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 1,721,273,036</b>	<b>\$ (4,639,168)</b>	<b>\$ 280,461,567</b>	<b>\$ 132,135,333</b>	<b>\$ 40,630,120</b>
Business Activities					
Department of Airports	70,472,323	1,274,998	74,338,460	4,606,165	8,934,475
Water Utilities Department	124,544,372	3,267,836	118,720,944	5,482,973	37,580,661
Solid Waste Authority	160,805,739	-	195,947,347	8,672,112	12,961,981
<b>Total Business Activities</b>	<b>\$ 355,822,434</b>	<b>\$ 4,542,834</b>	<b>\$ 389,006,751</b>	<b>\$ 18,761,250</b>	<b>\$ 59,477,117</b>
<b>Total Primary Government</b>	<b>\$ 2,077,095,470</b>	<b>\$ (96,334)</b>	<b>\$ 669,468,318</b>	<b>\$ 150,896,583</b>	<b>\$ 100,107,237</b>
<b>COMPONENT UNITS</b>					
Metropolitan Planning Organization	\$ 1,571,417	\$ 96,334	\$ 5	\$ 1,597,924	\$ -
Housing Finance Authority	645,502	-	535,877	223,127	-
Westgate/Belvedere CRA	1,350,776	-	-	-	-
<b>Total Component Units</b>	<b>\$ 3,567,695</b>	<b>\$ 96,334</b>	<b>\$ 535,882</b>	<b>\$ 1,821,051</b>	<b>\$ -</b>
General Revenues					
Taxes - levied by the County					
Ad-valorem taxes					
Utility service taxes					
Local option gas taxes					
Tourist development taxes					
State shared sales tax-unrestricted					
Franchise gross receipts fee					
State shared revenues-unrestricted					
Investment income (loss)					
Other general revenues					
Gain on sale of capital assets					
Transfers - net					
<b>Total general revenues and transfers</b>					
Change in net assets					
<b>Beginning net assets, restated</b>					
<b>Ending net assets (deficit)</b>					

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Metropolitan Planning Organization	Housing Finance Authority	Westgate/ Belvedere Homes Community Redevelopment Agency
\$ (181,998,540)	\$ -	\$ (181,998,540)	\$ -	\$ -	\$ -
(571,788,486)	-	(571,788,486)	-	-	-
(4,266,220)	-	(4,266,220)	-	-	-
(98,831,964)	-	(98,831,964)	-	-	-
(183,135,968)	-	(183,135,968)	-	-	-
(63,377,698)	-	(63,377,698)	-	-	-
(110,132,843)	-	(110,132,843)	-	-	-
(49,875,129)	-	(49,875,129)	-	-	-
<u>\$ (1,263,406,848)</u>	<u>\$ -</u>	<u>\$ (1,263,406,848)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	16,131,779	16,131,779	-	-	-
-	33,972,370	33,972,370	-	-	-
-	56,775,701	56,775,701	-	-	-
<u>\$ -</u>	<u>\$ 106,879,850</u>	<u>\$ 106,879,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (1,263,406,848)</u>	<u>\$ 106,879,850</u>	<u>\$ (1,156,526,998)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	(69,822)	-	-
-	-	-	-	113,502	-
-	-	-	-	-	(1,350,776)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (69,822)</u>	<u>\$ 113,502</u>	<u>\$ (1,350,776)</u>
\$ 897,890,650	\$ -	\$ 897,890,650	\$ -	\$ -	\$ 2,164,680
30,543,325	-	30,543,325	-	-	-
46,068,630	-	46,068,630	-	-	824,729
27,813,718	-	27,813,718	-	-	-
72,375,458	-	72,375,458	-	-	-
30,039,809	-	30,039,809	-	-	-
59,369,923	-	59,369,923	-	-	-
87,183,609	-	87,183,609	2,564	-	23,461
6,092,958	-	6,092,958	-	-	538,011
-	77,493	77,493	-	-	-
9,654,866	(9,654,866)	-	-	-	-
<u>1,267,032,946</u>	<u>(9,577,373)</u>	<u>1,257,455,573</u>	<u>2,564</u>	<u>-</u>	<u>3,550,881</u>
3,626,098	97,302,477	100,928,575	(67,258)	113,502	2,200,105
<u>2,382,004,745</u>	<u>1,463,124,256</u>	<u>3,845,129,001</u>	<u>57,090</u>	<u>7,991,696</u>	<u>777,209</u>
<u>\$ 2,385,630,843</u>	<u>\$ 1,560,426,733</u>	<u>\$ 3,946,057,576</u>	<u>\$ (10,168)</u>	<u>\$ 8,105,198</u>	<u>\$ 2,977,314</u>



## DESCRIPTIONS OF MAJOR FUNDS

### GOVERNMENTAL FUNDS

**General Fund** - To account for all financial resources of the general government except those required to be accounted for in other funds.

**Fire Rescue Special Revenue Fund** - To account for ad-valorem taxes and other revenues designated for fire rescue services.

**Sheriff Special Revenue Fund** - To account for the financial resources necessary to carry out the powers, duties and obligations of the elected office of Sheriff as detailed in Florida Statutes Chapter 30.15.

**General Government Capital Projects** - To account for costs of capital improvements not included in any other category. It is a major fund for public interest reasons.

**Road Program Capital Projects** - To account for costs related to the design, acquisition of rights-of-way and construction of improvements to the County's major thoroughfare road system, primarily represented by the County's Five Year Road Program.

### PROPRIETARY FUNDS

**Airports** - To account for activities related to the operation of the four County-owned airports - Palm Beach International Airport in West Palm Beach and three general aviation airports located in Lantana, Pahokee and Palm Beach Gardens.

**Water Utilities** - To account for activities related to the operation of the County-owned water and sewage system which provides water and sewer services to portions of the unincorporated area of the County as well as to certain municipalities.

**Solid Waste Authority** - To account for activities related to the operation of the solid waste disposal facilities for Palm Beach County.

PALM BEACH COUNTY, FLORIDA  
 Balance Sheet  
 Governmental Funds  
 September 30, 2008

	MAJOR FUNDS			
	General	Fire Rescue Special Revenue Fund	Sheriff Special Revenue Fund	General Government Capital Projects
<b>ASSETS</b>				
Cash and cash equivalents	\$ 172,834,451	\$ 97,887,175	\$ 58,955,246	\$ 202,741,124
Investments	-	-	1,305	-
Accounts receivable, net	5,627,194	1,353,962	322,494	101
Due from other county funds	77,469,488	3,401,270	563,235	593,884
Due from other governments	3,654,273	1,414,699	975,664	422,759
Inventory	1,998,639	2,527,932	2,587,993	-
Other assets	3,330	75	111,712	-
Other receivable, noncurrent	-	-	-	2,050,000
<b>Total assets</b>	<b>\$ 261,587,375</b>	<b>\$ 106,585,113</b>	<b>\$ 63,517,649</b>	<b>\$ 205,807,868</b>
<b>LIABILITIES</b>				
Vouchers payable and accrued liabilities	\$ 10,714,139	\$ 11,879,796	\$ 32,550,575	\$ 19,611,831
Due to other county funds	12,399,398	171,032	12,452,182	1,311
Due to other governments	908,102	416,841	3,467,185	100,014
Due to component unit	266,086	-	-	-
Due to individuals	-	-	-	-
Insurance claims payable	-	-	1,307,282	-
Deferred and unearned revenue	15,000,010	-	-	-
Other liabilities	1,725,840	-	7,734,480	-
Matured principal and interest payable	-	-	-	-
<b>Total liabilities</b>	<b>41,013,575</b>	<b>12,467,669</b>	<b>57,511,704</b>	<b>\$ 19,713,156</b>
<b>FUND BALANCE</b>				
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for inventory	1,998,639	2,527,932	2,587,993	-
Reserved for noncurrent loans receivable	-	-	-	2,050,000
Unreserved, reported in:				
General Fund	218,575,161	-	-	-
Special Revenue Funds	-	91,589,512	3,417,952	-
Capital Projects Funds	-	-	-	184,044,712
<b>Total fund balance</b>	<b>220,573,800</b>	<b>94,117,444</b>	<b>6,005,945</b>	<b>186,094,712</b>
<b>Total liabilities and fund balance</b>	<b>\$ 261,587,375</b>	<b>\$ 106,585,113</b>	<b>\$ 63,517,649</b>	<b>\$ 205,807,868</b>

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

Road Program Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 383,970,697	\$ 718,772,924	\$ 1,635,161,617
-	919,500	920,805
-	10,562,561	17,866,312
-	15,463,635	97,491,512
4,462,568	24,504,754	35,434,717
-	5,406,974	12,521,538
-	1,455,463	1,570,580
-	16,308,941	18,358,941
<u>\$ 388,433,265</u>	<u>\$ 793,394,752</u>	<u>\$ 1,819,326,022</u>
\$ 10,663,311	\$ 37,567,261	\$ 122,986,913
47,194	79,779,999	104,851,116
7,026	11,042,026	15,941,194
-	-	266,086
-	735,900	735,900
-	-	1,307,282
-	30,740,673	45,740,683
-	1,317,692	10,778,012
-	64,819	64,819
<u>\$ 10,717,531</u>	<u>\$ 161,248,370</u>	<u>302,672,005</u>
-	34,123,198	34,123,198
-	5,406,974	12,521,538
-	-	2,050,000
-	-	218,575,161
-	181,238,012	276,245,476
377,715,734	411,378,198	973,138,644
<u>377,715,734</u>	<u>632,146,382</u>	<u>1,516,654,017</u>
<u>\$ 388,433,265</u>	<u>\$ 793,394,752</u>	<u>\$ 1,819,326,022</u>

PALM BEACH COUNTY, FLORIDA

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets - Governmental Activities  
September 30, 2008

<b>Fund balance for total of governmental funds (page 9)</b>	\$	1,516,654,017
<b>Amounts reported for governmental activities in the statements of net assets are different because:</b>		
<b>Report internal service funds as governmental activities</b>		
Internal service funds are used by management to charge the costs of certain activities, such as insurance, computer services, and vehicles to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
Net assets per fund statements	\$	85,987,453
Less amount due to business-type activities for 'look-back' allocation		(5,352,332)
Plus amount due from component units for 'look-back' allocation		<u>1,588</u>
		80,636,709
<b>Report as an asset the cost of general capital assets and accumulated depreciation</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		
Non-depreciable capital assets		1,068,948,483
Depreciable capital assets, net of accumulated depreciation		<u>1,122,799,180</u>
		2,191,747,663
<b>Report as a liability general long-term debt obligations</b>		
Liabilities that are not due and payable in the current period do not encumber current financial resources and therefore are not reported in the governmental fund statements.		
General obligation bonds payable		(290,410,000)
Non-ad valorem bonds payable		(882,004,002)
Notes and loans payable		(75,182,568)
Capital leases		(7,452)
Compensated absences		(110,321,525)
Net OPEB Obligation Liability		(11,515,769)
Arbitrage accrued		(4,676,746)
Claims and judgements		(31,105,097)
Unamortized premium		(32,279,961)
Deferred (loss) on refundings		<u>12,302,075</u>
		(1,425,201,045)
<b>Report adjustments to convert from modified accrual to full accrual</b>		
<i>Interest Receivable- Separate Accounts</i>		
Interest receivable on special assessments is not due and available in the current period and therefore is not reported in the governmental fund statements.		288,719
<i>Net OPEB Obligation Asset</i>		
Cumulative plan contributions in excess of ARC is reported as an asset.		
However, the plan contributions are reported as expenditures in the governmental fund statements.		2,871,983
<i>Deferred Issue Costs</i>		
Issue cost for new debt is reported as a deferred charge and amortized over the life of the debt as an expense. However, issue cost are recorded as expenditures in the governmental fund statements.		10,013,218
<i>Accrued Interest Payable</i>		
Accrued Interest Payable that is not due and payable in the current period is not reported in the governmental fund statements		(15,934,252)
<i>Deferred Revenue</i>		
Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements.		24,667,701
<i>Due To Other Governments</i>		
Palm Beach County and the Palm Beach County School District engage in an interlocal agreement that allows them to exchange land and maintain a receivable and payable for the difference in value. When a general capital asset is exchanged for another capital asset and there is no receipt of current financial resources for the difference in value, the receivable or payable is not reported in the governmental fund statements.		<u>(113,870)</u>
<b>Net assets of governmental activities (page 2)</b>	<b>\$</b>	<b><u><u>2,385,630,843</u></u></b>



PALM BEACH COUNTY, FLORIDA  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the fiscal year ended September 30, 2008

	MAJOR FUNDS			
	General	Fire Rescue Special Revenue Fund	Sheriff Special Revenue Fund	General Government Capital Projects
<b>Revenues:</b>				
Taxes (net of discount)	\$ 674,913,810	\$ 195,976,807	\$ -	\$ 81
Special assessments	-	303,720	-	1,010,396
Licenses and permits	3,885,447	4,077	-	-
Intergovernmental	31,708,356	381,715	-	3,761,370
Charges for services	69,059,861	30,897,059	1,858,607	3,531,006
Less - excess fees paid out	-	-	-	-
Fines and forfeitures	1,399,126	-	126,728	1,049,334
Investment income	17,060,682	6,313,431	242,926	12,315,637
Miscellaneous	7,373,862	280,430	28,784	3,223,507
<b>Total revenues</b>	<b>805,401,144</b>	<b>234,157,239</b>	<b>2,257,045</b>	<b>24,891,331</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	123,616,503	-	18,933,887	25,404,570
Public safety	33,598,692	209,244,939	380,967,983	169,783
Physical environment	13,456,825	-	-	875,571
Transportation	7,065,807	-	-	624,705
Economic environment	28,671,979	917,082	-	90,680,397
Human services	54,722,884	-	-	-
Culture and recreation	60,394,430	-	-	-
Capital outlay	871,777	3,737,765	27,207,798	32,335,993
Debt service	-	-	-	1,630,099
<b>Total expenditures</b>	<b>322,398,897</b>	<b>213,899,786</b>	<b>427,109,668</b>	<b>151,721,118</b>
<b>Excess of revenues over (under) expenditures</b>	<b>483,002,247</b>	<b>20,257,453</b>	<b>(424,852,623)</b>	<b>(126,829,787)</b>
<b>Other financing sources (uses):</b>				
Transfers in	33,039,979	7,056,212	434,591,773	24,955,677
Transfers out	(538,231,869)	(10,180,000)	(8,615,725)	(16,534,792)
Issuance of long-term debt	-	-	-	81,568,330
Premium (discount) long-term debt	-	-	-	3,937,782
Issuance of refunding debt	-	-	-	16,511,670
Premium (discount) refunding debt	-	-	-	797,115
Payment to escrow agent for refunding	-	-	-	(17,069,579)
<b>Total other financing sources (uses)</b>	<b>(505,191,890)</b>	<b>(3,123,788)</b>	<b>425,976,048</b>	<b>94,166,203</b>
<b>Net change in fund balances</b>	<b>(22,189,643)</b>	<b>17,133,665</b>	<b>1,123,425</b>	<b>(32,663,584)</b>
Fund balances, October 1, 2007	242,836,817	76,621,912	4,882,520	218,758,296
<b>Increase (decrease) in reserves, inventory</b>	<b>(73,374)</b>	<b>361,867</b>	<b>-</b>	<b>-</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ 220,573,800</b>	<b>\$ 94,117,444</b>	<b>\$ 6,005,945</b>	<b>\$ 186,094,712</b>

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

Road Program Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 33,743,071	\$ 156,015,130	\$ 1,060,648,899
19,026,479	10,426,231	30,766,826
-	10,606,314	14,495,838
13,870,421	181,531,473	231,253,335
1,106,090	156,717,465	263,170,088
-	(48,986,202)	(48,986,202)
-	10,834,307	13,409,495
19,395,145	29,230,865	84,558,686
2,977,846	11,372,272	25,256,701
<u>90,119,052</u>	<u>517,747,855</u>	<u>1,674,573,666</u>
5,322,302	137,052,468	310,329,730
-	29,299,887	653,281,284
-	10,564,805	24,897,201
10,729,858	117,960,003	136,380,373
-	54,749,594	175,019,052
-	45,137,638	99,860,522
500,000	45,759,546	106,653,976
54,739,281	126,542,322	245,434,936
-	125,684,602	127,314,701
<u>71,291,441</u>	<u>692,750,865</u>	<u>1,879,171,775</u>
<u>18,827,611</u>	<u>(175,003,010)</u>	<u>(204,598,109)</u>
804,650	290,070,692	790,518,983
(26,689,979)	(189,912,366)	(790,164,731)
-	223,357,676	304,926,006
-	1,508,526	5,446,308
-	37,239,596	53,751,266
-	-	797,115
-	(37,115,938)	(54,185,517)
<u>(25,885,329)</u>	<u>325,148,186</u>	<u>311,089,430</u>
(7,057,718)	150,145,176	106,491,321
384,773,452	482,105,276	1,409,978,273
-	(104,070)	184,423
<u>\$ 377,715,734</u>	<u>\$ 632,146,382</u>	<u>\$ 1,516,654,017</u>

PALM BEACH COUNTY, FLORIDA  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities - Governmental Activities  
 For the fiscal year ended September 30, 2008

Net change in fund balances for total governmental funds (page 13)	\$	106,491,321
Cumulative effect of prior years for change in accounting principle		(7,054,000)

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

***Report internal service funds as governmental activities***

Internal service funds are used by management to charge the cost of certain activities, such as vehicles, computer systems, printing, and insurance to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.

Net income (loss) per fund statements	\$	9,206,928	
Less current year allocation to business-type activities		(1,079,212)	
Less current year allocation to component units		1,444	
		8,129,160	8,129,160

***Report as an asset the cost of general capital assets and accumulated depreciation***

Acquisition of capital assets

Governmental funds report capital outlays as expenditures, but capital purchases increase assets in the statement of net assets and do not result in an expense.

244,730,692

Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue.

31,577,235

Depreciation expense

The cost of capital assets is allocated over their useful life as depreciation expense. However, depreciation does not require the use of current financial resources and therefore is not reported in the governmental fund statements.

(97,253,456)

Retirement of capital assets

In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance

(9,943,813)

In the statement of activities, the loss due to impairment is reported, whereas in the governmental funds, the loss is not reported because there is no reduction in current financial resources.

Thus, the change in net assets differs from the change in fund balance

(38,158,797)

130,951,861

***Report as a liability long-term debt obligations***

Debt issuance

Debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets and does not result in a revenue.

Current year face value of debt issued		(358,677,272)	
--	--	---------------	--

Governmental funds report the premium and discount on debt issues as revenue, but in the statement of activities these amounts are amortized to interest expense.

Current year (premium) discount on debt issued		(6,243,423)	
Current year amortization of premium / discount		1,934,956	

Governmental funds report the effect of gains and losses on refundings when the debt is first issued, but in the statement of activities these amounts are deferred and amortized.

Current year amortization of deferred refunding gain / loss		(827,588)	
---	--	-----------	--

PALM BEACH COUNTY, FLORIDA  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities - Governmental Activities  
 For the fiscal year ended September 30, 2008

Debt retirement

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense.

127,055,689

The change in accrued liabilities reported as long-term obligations do not require the use of current financial resources and therefore are not reported in the governmental fund statements.

(Increase) Decrease in arbitrage 'long term' accrued liability

Net (Increase) Decrease in total arbitrage liability     \$     (2,141,361)

Arbitrage fund liabilities paid during the year                     1,870,786

(270,575)

(Increase) Decrease in Net OPEB Obligation liability

(11,515,769)

(Increase) Decrease in claims and judgements liability

1,185,862

(Increase) Decrease in fire rescue disability plan liability

8,157,329

(Increase) Decrease in compensated absences liability

(10,100,379)

(249,301,170)

***Report other adjustments for converting from modified accrual to full accrual***

Net Increase (Decrease) in deferred issue costs:

Current year debt issue costs deferred

2,725,396

Current year amortization of deferred issue costs

(666,184)

2,059,212

Increase (Decrease) in inventory

184,423

Increase (Decrease) in accrued interest receivable

(27,970)

Increase (Decrease) in Net OPEB Obligation Asset

2,871,983

(Increase) Decrease in due to other governments

7,680

(Increase) Decrease in accrued interest payable

(1,362,877)

(Increase) Decrease in deferred revenue

10,676,475

14,408,926

**Change in net assets of governmental activities (page 5)**

**\$ 3,626,098**

PALM BEACH COUNTY, FLORIDA  
Statement of Net Assets  
Proprietary Funds  
September 30, 2008

	Business-type Activities -	
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 46,749,141	\$ 49,455,783
Cash and cash equivalents - restricted	13,088,266	21,971,309
Interest receivable - restricted	-	-
Interest receivable	-	813,900
Accounts receivable, net	862,151	14,548,560
Due from other county funds	256,147	34,615
Due from other governments	1,201,685	768,300
Due from component unit	-	-
Inventory	989,563	6,809,057
Current portion of other receivable	107,292	750,543
Other assets	1,038,117	274,058
<b>Total current assets</b>	<b>64,292,362</b>	<b>95,426,125</b>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	19,540,444	1,601,642
Cash with fiscal agent	19,665,716	-
Investments	-	-
Accounts receivable, net	1,421,275	-
<b>Total noncurrent restricted assets</b>	<b>40,627,435</b>	<b>1,601,642</b>
Capital assets:		
Land	95,231,826	15,510,469
Buildings	313,840,313	103,715,377
Improvements other than buildings	175,607,230	1,118,057,530
Furniture, fixtures and equipment	38,487,892	74,452,182
Leasehold interest	-	12,010,002
Goodwill	-	7,131,703
Intangible - easement rights	13,754,957	1,660,856
Accumulated depreciation and amortization	(282,733,138)	(384,987,790)
Construction in progress	30,769,763	12,457,464
<b>Total capital assets</b>	<b>384,958,843</b>	<b>960,007,793</b>
Investments	-	-
Investment in joint venture	-	33,340,114
Loans receivable, noncurrent	712,267	17,751,723
Deferred issuance costs	1,896,351	1,405,353
Due from other governments	-	150,707
Other assets	-	-
<b>Total noncurrent assets</b>	<b>428,194,896</b>	<b>1,014,257,332</b>
<b>Total assets</b>	<b>\$ 492,487,258</b>	<b>\$ 1,109,683,457</b>

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

Enterprise Funds		Governmental Activities Internal Service Funds
Solid Waste Authority	Totals	
\$ 106,414,556	\$ 202,619,480	\$ 99,827,846
134,582,920	169,642,495	-
820,814	820,814	-
208,243	1,022,143	-
14,386,183	29,796,894	2,000,424
1,606,088	1,896,850	6,732,906
-	1,969,985	309,322
-	-	3,706
369,413	8,168,033	1,335,815
301,577	1,159,412	-
1,176,076	2,488,251	4,427,242
259,865,870	419,584,357	114,637,261
28,861,040	50,003,126	-
-	19,665,716	-
21,149,922	21,149,922	-
-	1,421,275	-
50,010,962	92,240,039	-
50,795,763	161,538,058	-
250,756,564	668,312,254	127,632
91,406,367	1,385,071,127	512,286
143,351,396	256,291,470	98,841,564
-	12,010,002	-
-	7,131,703	-
-	15,415,813	-
(237,349,349)	(905,070,277)	(67,147,314)
100,124,725	143,351,952	-
399,085,466	1,744,052,102	32,334,168
1,861,010	1,861,010	-
-	33,340,114	-
1,599,147	20,063,137	-
1,264,838	4,566,542	-
-	150,707	-
7,443	7,443	-
453,828,866	1,896,281,094	32,334,168
\$ 713,694,736	\$ 2,315,865,451	\$ 146,971,429

PALM BEACH COUNTY, FLORIDA  
Statement of Net Assets  
Proprietary Funds  
September 30, 2008

	Business-type Activities -	
	Airports	Water Utilities
<b>LIABILITIES</b>		
Current liabilities payable from current assets:		
Vouchers payable and accrued liabilities	\$ 5,884,976	\$ 9,941,923
Due to other county funds	282,525	542,585
Due to other governments	2,073,380	2,612,348
Deferred revenue	1,190,112	-
Current portion of long-term debt	-	-
Compensated absences	134,223	289,000
Insurance claims payable	-	-
Other liabilities	559,783	2,756,666
Total current liabilities payable from current assets	10,124,999	16,142,522
Current liabilities payable from restricted assets:		
Customers' deposits	332,798	3,545,218
Accounts and contracts payable	1,186,867	5,130
Due to other governments	310,000	267,290
Accrued landfill closure and postclosure care costs	-	-
Current portion of long-term debt	7,225,000	14,070,000
Interest payable on bonds	4,033,601	4,083,671
Total current liabilities payable from restricted assets	13,088,266	21,971,309
Total current liabilities	23,213,265	38,113,831
Noncurrent liabilities:		
Due to other governments	-	1,956,942
Note payable	-	-
Compensated absences	1,115,826	2,640,961
Revenue bonds payable, net of discount	147,000,735	166,093,961
Other long-term liabilities	-	12,876
Total noncurrent liabilities	148,116,561	170,704,740
Total liabilities	171,329,826	208,818,571
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	236,336,509	779,843,832
Restricted for:		
Debt service	8,118,837	14,070,000
Capital projects	25,445,266	500,000
Grants and other	8,684,926	1,101,642
Unrestricted	42,571,894	105,349,412
Total net assets	\$ 321,157,432	\$ 900,864,886

Some amounts reported for business-type activities in the statement of net assets (page 2) are different because certain internal service fund assets and liabilities are included with business-type activities.

Net assets of business-type activities

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

<u>Enterprise Funds</u>		Governmental
Solid Waste		Activities
Authority	Totals	Internal
		Service Funds
\$ 15,830,376	\$ 31,657,275	\$ 3,115,127
16,957	842,067	428,085
-	4,685,728	238,338
-	1,190,112	-
4,000,000	4,000,000	205,825
324,689	747,912	-
448,000	448,000	25,262,856
1,060,065	4,376,514	3,934,933
<u>21,680,087</u>	<u>47,947,608</u>	<u>33,185,164</u>
584,860	4,462,876	-
6,570,646	7,762,643	-
-	577,290	-
350,000	350,000	-
32,520,000	53,815,000	-
3,878,537	11,995,809	-
<u>43,904,043</u>	<u>78,963,618</u>	<u>-</u>
65,584,130	126,911,226	33,185,164
-	1,956,942	-
76,000,000	76,000,000	-
3,767,078	7,523,865	-
175,254,525	488,349,221	-
60,036,920	60,049,796	27,798,812
<u>315,058,523</u>	<u>633,879,824</u>	<u>27,798,812</u>
380,642,653	760,791,050	60,983,976
205,758,985	1,221,939,326	32,019,626
723,189	22,912,026	-
-	25,945,266	-
23,209,661	32,996,229	-
103,360,248	251,281,554	53,967,827
<u>\$ 333,052,083</u>	<u>1,555,074,401</u>	<u>\$ 85,987,453</u>
	5,352,332	
	<u>\$ 1,560,426,733</u>	

PALM BEACH COUNTY, FLORIDA  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the fiscal year ended September 30, 2008

	Business-type Activities -	
	Airports	Water Utilities
Operating revenues:		
Charges for services	\$ 62,068,302	\$ 110,116,173
Miscellaneous	2,404,699	5,205,556
<b>Total operating revenues</b>	<b>64,473,001</b>	<b>115,321,729</b>
Operating expenses:		
Aviation services	44,732,030	-
Water and sewer services	-	81,927,461
Transportation services	-	-
Solid waste services	-	-
Printing services	-	-
Self-insurance services	-	-
Data processing services	-	-
Equity interest in net loss of joint venture	-	1,244,075
Depreciation and amortization	22,368,839	37,105,975
<b>Total operating expenses</b>	<b>67,100,869</b>	<b>120,277,511</b>
<b>Operating income (loss)</b>	<b>(2,627,868)</b>	<b>(4,955,782)</b>
Nonoperating revenues (expenses):		
Investment income	4,724,506	4,959,994
Capacity reservation fees	-	3,399,215
Passenger facility charges	9,865,458	-
Deferred issue costs	(139,926)	(176,852)
Interest expense	(4,656,440)	(5,701,665)
Hurricane debris collection and disposal	-	-
Other revenues (expenses)	(40,847)	(1,557,654)
<b>Total nonoperating revenues (expenses)</b>	<b>9,752,751</b>	<b>923,038</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>7,124,883</b>	<b>(4,032,744)</b>
Capital contributions	8,934,475	37,580,661
Transfers out	(9,654,866)	-
<b>Change in net assets</b>	<b>6,404,492</b>	<b>33,547,917</b>
<b>Net assets October 1, 2007, restated</b>	<b>314,752,940</b>	<b>867,316,969</b>
<b>Net assets September 30, 2008</b>	<b>\$ 321,157,432</b>	<b>\$ 900,864,886</b>

Some amounts reported for business-type activities in the statement of activities (page 5) are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

Change in net assets of business-type activities

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

<u>Enterprise Funds</u>		Governmental
Solid Waste		Activities
Authority	Totals	Internal
		Service Funds
\$ 195,220,950	\$ 367,405,425	\$ 153,293,664
-	7,610,255	-
<u>195,220,950</u>	<u>375,015,680</u>	<u>153,293,664</u>
-	44,732,030	-
-	81,927,461	-
-	-	24,795,506
126,331,029	126,331,029	-
-	-	1,347,444
-	-	89,970,330
-	-	31,684,399
-	1,244,075	-
23,399,947	82,874,761	12,122,545
<u>149,730,976</u>	<u>337,109,356</u>	<u>159,920,224</u>
<u>45,489,974</u>	<u>37,906,324</u>	<u>(6,626,560)</u>
8,672,112	18,356,612	4,794,253
-	3,399,215	-
-	9,865,458	-
-	(316,778)	-
(11,298,882)	(21,656,987)	(20,919)
(280,726)	(280,726)	-
726,397	(872,104)	2,477,784
<u>(2,181,099)</u>	<u>8,494,690</u>	<u>7,251,118</u>
43,308,875	46,401,014	624,558
12,961,981	59,477,117	1,882,622
-	(9,654,866)	(354,252)
56,270,856	96,223,265	2,152,928
<u>276,781,227</u>		<u>83,834,525</u>
<u>\$ 333,052,083</u>		<u>\$ 85,987,453</u>
	1,079,212	
	<u>\$ 97,302,477</u>	

PALM BEACH COUNTY, FLORIDA  
Statement of Cash Flows  
Proprietary Funds  
For the fiscal year ended September 30, 2008

	Business-type Activities -	
	Airports	Water Utilities
Cash flows from operating activities:		
Cash received from customers	\$ 65,301,773	\$ 106,341,912
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(15,472,195)	(40,091,037)
Cash payments to employees for services	(11,080,098)	(26,290,846)
Cash payments to other funds	(17,341,024)	(14,038,262)
Claims paid	-	-
Other receipts	65,282	4,636,814
<b>Net cash provided by operating activities</b>	<b>21,473,738</b>	<b>30,558,581</b>
Cash flows from noncapital financing activities:		
Operating grants	-	-
Proceeds from interfund loan	-	-
Transfers in	18,954	-
Transfers out	-	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>18,954</b>	<b>-</b>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	81,758	191,907
Contributed capital	5,681,775	27,176,687
Purchase and construction of capital assets	(59,623,374)	(60,808,395)
Proceeds from long-term borrowings	-	-
Payments to joint venture	-	(8,547,549)
Principal payments on debt	(6,790,000)	(13,350,000)
Interest payments on debt	(4,843,165)	(8,491,805)
Paying agent fees	-	(23,846)
Passenger facility charges received	9,610,327	-
Repayment on note payable	(250,000)	-
Proceeds on issuance of refunding revenue bonds	-	6,473,000
Principal paid on refunded revenue bonds	-	(6,345,000)
Bond issuance costs paid	-	(26,680)
Principal received on notes receivable	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(56,132,679)</b>	<b>(63,751,681)</b>
Cash flows from investing activities:		
Interest on investments	4,724,506	4,894,332
Purchase of investments	-	-
Receipt of repayments on other receivables	101,379	-
Proceeds from sale of investments	-	-
<b>Net cash provided by investing activities</b>	<b>4,825,885</b>	<b>4,894,332</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(29,814,102)</b>	<b>(28,298,768)</b>
<b>Cash and cash equivalents, October 1, 2007</b>	<b>128,857,669</b>	<b>101,327,502</b>
<b>Cash and cash equivalents, September 30, 2008</b>	<b>\$ 99,043,567</b>	<b>\$ 73,028,734</b>

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

<u>Enterprise Funds</u>		Governmental
Solid Waste		Activities
Authority	Totals	Internal
		Service Funds
\$ 192,095,793	\$ 363,739,478	\$ 9,653,283
1,721,681	1,721,681	142,756,150
(79,751,006)	(135,314,238)	(42,974,018)
(26,994,075)	(64,365,019)	(27,470,355)
(10,312,201)	(41,691,487)	(4,760,118)
-	-	(69,691,919)
537,689	5,239,785	1,583,493
<u>77,297,881</u>	<u>129,330,200</u>	<u>9,096,516</u>
3,052,873	3,052,873	-
-	-	246,636
-	18,954	-
-	-	(354,252)
<u>3,052,873</u>	<u>3,071,827</u>	<u>(107,616)</u>
536,564	810,229	1,704,983
8,736,746	41,595,208	-
(92,002,003)	(212,433,772)	(9,022,108)
80,000,000	80,000,000	-
-	(8,547,549)	-
(30,700,000)	(50,840,000)	(198,332)
(9,326,758)	(22,661,728)	(22,765)
-	(23,846)	-
-	9,610,327	-
-	(250,000)	-
-	6,473,000	-
-	(6,345,000)	-
-	(26,680)	-
265,996	265,996	-
<u>(42,489,455)</u>	<u>(162,373,815)</u>	<u>(7,538,222)</u>
9,631,525	19,250,363	4,794,253
(2,330,969)	(2,330,969)	-
-	101,379	-
20,000,000	20,000,000	-
<u>27,300,556</u>	<u>37,020,773</u>	<u>4,794,253</u>
65,161,855	7,048,985	6,244,931
204,696,661	434,881,832	93,582,915
<u>\$ 269,858,516</u>	<u>\$ 441,930,817</u>	<u>\$ 99,827,846</u>

PALM BEACH COUNTY, FLORIDA  
Statement of Cash Flows  
Proprietary Funds  
For the fiscal year ended September 30, 2008

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (2,627,868)	\$ (4,955,782)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	22,368,839	37,105,975
Equity interest in net loss of joint venture	-	1,244,075
Provision for doubtful accounts	(33,426)	363,800
(Gain) on disposal of equipment	-	-
Transfer to joint venture capital fund	-	(611,337)
Miscellaneous revenue	-	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	319,736	(3,892,229)
(Increase) decrease in due from other county funds	-	8,278
Decrease in due from other governments	-	-
(Increase) decrease in inventory	(7,083)	(510,312)
Decrease in other assets	35,388	487,402
Decrease in due from component unit	-	-
Increase (decrease) in vouchers payable and accrued liabilities	590,637	1,904,574
Increase (decrease) in due to other county funds	176,631	64,093
Increase (decrease) in due to other governments	-	31,612
Increase in other current liabilities	76,566	-
Increase in deferred revenue	539,474	-
Increase (decrease) in customer deposits	34,844	(681,568)
Increase in insurance claims payable	-	-
Increase in other long-term liabilities	-	-
<b>Net cash provided by operating activities</b>	<b>\$ 21,473,738</b>	<b>\$ 30,558,581</b>
Supplemental disclosure of noncash capital and related financing activities:		
<b>Net capital assets transferred to other funds</b>	<b>\$ (9,654,866)</b>	<b>\$ -</b>
<b>Amortization of deferred issuance costs</b>	<b>\$ 178,475</b>	<b>\$ 176,852</b>
<b>Amortization of premium on bonds</b>	<b>\$ 421,608</b>	<b>\$ 760,342</b>
<b>Amortization of discount on bonds</b>	<b>\$ -</b>	<b>\$ 437</b>
<b>Amortization of deferred advance refunding loss</b>	<b>\$ 383,059</b>	<b>\$ 438,388</b>
<b>Disposal of fully depreciated capital assets</b>	<b>\$ 7,984,866</b>	<b>\$ 1,557,571</b>
<b>Increase (decrease) in fair value of investments</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Contribution of capital assets</b>	<b>\$ 3,518,676</b>	<b>\$ 15,338,217</b>

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

<u>Enterprise Funds</u>		Governmental
Solid Waste		Activities
Authority	Totals	Internal
		Service Funds
\$ 45,489,974	\$ 37,906,324	\$ (6,626,560)
23,399,947	82,874,761	12,122,545
-	1,244,075	-
175,038	505,412	-
(250,667)	(250,667)	-
-	(611,337)	-
445,671	445,671	1,583,493
(1,190,712)	(4,763,205)	(1,957,086)
(741,488)	(733,210)	942,145
-	-	38,245
44,162	(473,233)	(411,569)
125,918	648,708	1,155,932
-	-	2,686
7,904,198	10,399,409	(1,013,979)
(366,408)	(125,684)	(80,486)
-	31,612	(48,054)
56,709	133,275	355,313
-	539,474	-
(28,975)	(675,699)	-
-	-	3,033,891
2,234,514	2,234,514	-
<u>\$ 77,297,881</u>	<u>\$ 129,330,200</u>	<u>\$ 9,096,516</u>
<u>\$ -</u>	<u>\$ (9,654,866)</u>	<u>\$ -</u>
<u>\$ 359,793</u>	<u>\$ 715,120</u>	<u>\$ -</u>
<u>\$ 994,299</u>	<u>\$ 2,176,249</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 437</u>	<u>\$ -</u>
<u>\$ 3,056,595</u>	<u>\$ 3,878,042</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 9,542,437</u>	<u>\$ 5,449,385</u>
<u>\$ (469,959)</u>	<u>\$ (469,959)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 18,856,893</u>	<u>\$ 1,882,622</u>

PALM BEACH COUNTY, FLORIDA  
Statement of Fiduciary Net Assets - Agency Funds  
September 30, 2008

	Total Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 74,407,982
Accounts receivable, net	833,344
Due from other governments	637,274
Other assets	349
	<b>Total assets</b>
	<b>\$ 75,878,949</b>
<b>LIABILITIES</b>	
Vouchers payable and accrued liabilities	\$ 4,109,378
Due to other governments	42,161,201
Due to individuals	29,208,235
Other liabilities	400,135
	<b>Total liabilities</b>
	<b>\$ 75,878,949</b>

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

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**INDEX**

<b>1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....</b>	<b>28</b>
<b>2. CASH AND INVESTMENTS.....</b>	<b>46</b>
<b>3. RELATED PARTY TRANSACTIONS.....</b>	<b>54</b>
<b>4. CAPITAL ASSETS.....</b>	<b>54</b>
<b>5. INTERFUND TRANSFERS IN AND OUT .....</b>	<b>56</b>
<b>6. RETIREMENT PLANS .....</b>	<b>59</b>
<b>7. COMMITMENTS.....</b>	<b>64</b>
<b>8. RISK MANAGEMENT.....</b>	<b>67</b>
<b>9. CHANGE IN ACCOUNTING PRINCIPLE.....</b>	<b>71</b>
<b>10. OTHER POST EMPLOYMENT BENEFITS (OPEB).....</b>	<b>72</b>
<b>11. LEASES .....</b>	<b>78</b>
<b>12. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS.....</b>	<b>80</b>
<b>13. REFUNDING OF DEBT .....</b>	<b>81</b>
<b>14. RECLASSIFICATIONS .....</b>	<b>84</b>
<b>15. INTERFUND RECEIVABLE AND PAYABLE BALANCES.....</b>	<b>84</b>
<b>16. SHORT-TERM DEBT .....</b>	<b>87</b>
<b>17. LONG-TERM DEBT .....</b>	<b>88</b>
<b>18. CONTINGENCIES.....</b>	<b>109</b>
<b>19. PLEDGED REVENUES .....</b>	<b>110</b>
<b>20. DEFICIT FUND EQUITY.....</b>	<b>111</b>
<b>21. SUBSEQUENT EVENTS.....</b>	<b>111</b>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Palm Beach County, Florida reporting entity (the County) have been prepared in conformity with accounting principles generally accepted in the United States (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. The County's more significant accounting policies are described below.

**A. Financial Reporting Entity**

Palm Beach County is a political subdivision of the State of Florida pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. It is governed by a seven member elected Board of County Commissioners (the Board) which is regulated by State Statutes and a local County Charter, operating under a County Manager form of government with separation of legislative and executive functions. In addition to the members of the Board, there are five elected Constitutional Officers: the Tax Collector, Property Appraiser, Clerk & Comptroller, Sheriff, and the Supervisor of Elections. The Board and the Constitutional Officers comprise the Palm Beach County primary government.

As required by GAAP, these financial statements cover the Palm Beach County reporting entity which includes the Palm Beach County primary government as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, Component units are either classified as blended component units or discretely presented component units, depending on the nature of the entity's relationship with the primary government. GASB Statement No. 14 provides the following criteria for determining whether or not an entity is a component unit of the reporting entity:

The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of the separate organization's governing body *and* either is able to impose its will on that organization or there is the potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities of, or the level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government is entitled to the organization's resources; is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide financial support to, the organization; or is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

In addition, any entity, for which the primary government is not financially accountable but for which exclusion would cause the primary government's financial statements to be misleading, should be included as a component unit.

In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units: an Amendment of GASB Statement No. 14*, a government must include certain legally separate, tax-exempt entities in the government's financial reporting entity as discretely presented component units if they meet all three of the following conditions: (a) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (b) the primary government or its component units, are entitled to or have the ability to otherwise access a majority of the economic resources received or held by the separate organizations; or (c) the economic resources received or held by an individual organization that the specific primary government is entitled to, or has the ability to otherwise access, are significant to that primary government. GASB Statement No. 39 had no effect on determining the County's discretely presented component units and therefore had no effect on the financial statements. Based on the criteria specified above, the Palm Beach County reporting entity includes both blended component units and discretely presented component units.

**Blended Component Units**

The following organizations have been presented as blended component units because the organization's governing body is substantially the same as the governing body of the County, or the organization provides services almost entirely to the primary government.

**Palm Beach County Public Building Corporation** – This corporation was created by Palm Beach County Ordinance 81-11 pursuant to Article VIII, Section 1 (f) of the Constitution of the State of Florida and Sections 125.01 (w) and 125.66, Florida Statutes. The corporation was incorporated on April 2, 1981 to provide financial assistance for and on behalf of the County by paying the costs of acquiring, constructing and equipping an Administrative Complex located at 301 North Olive Avenue in the City of West Palm Beach, Florida (the Project). The corporation also participates in certain activities incidental to such purpose, including the leasing of the Project to the County. This corporation currently has no fiscal activity.

**Transportation Authority (Palm Tran, Inc.)** – This corporation was created by Palm Beach County Resolution 95-1636D pursuant to Chapter 617, Florida Statutes. Its purpose is to operate for the advancement of charity by advancing public transportation and lessening the burden on Palm Beach County to provide a transportation system. The Board of Palm Tran, Inc. consists of the seven members of the Board of County Commissioners of Palm Beach County. The bylaws provide that the corporation shall have a president to act as the corporation's chief executive officer who shall be the County Administrator, a secretary/treasurer who shall be the Clerk to the Board of County Commissioners

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

or a deputy clerk designated for such purposes, and an executive director who shall be responsible for the day to day management and operations of the corporation. Palm Tran, Inc. is reported as a special revenue fund.

**Solid Waste Authority of Palm Beach County (SWA)** – The SWA is a dependent special district created under the Palm Beach County Solid Waste Act (the Act), Chapter 75-473, Laws of Florida. Chapter 91-334, Laws of Florida, became effective October 1, 1991 and amended Chapter 75-473 by providing that the seven members of the Palm Beach County Board of County Commissioners shall serve as the governing board of the Authority. The Board of the SWA is responsible for adopting an annual, non-appropriated, operating budget as a financial plan for the year. The Act gives the SWA the power to construct and operate solid waste disposal facilities and to require that all solid waste collected by private and/or public agencies within the County for disposal in the County be delivered to processing and disposal facilities designated by the SWA. The SWA is reported as an enterprise fund.

**Discretely Presented Component Units**

The Component Unit columns in the basic financial statements include the financial data of the County's discretely presented Component Units. They are reported in separate columns to emphasize that they are legally separate from the County. The following organizations are included in the reporting entity because the primary government (1) appointed a voting majority of the organization's board, (2) is able to impose its will on the organization, and (3) the organization provides services to the citizenry of Palm Beach County.

**Housing Finance Authority of Palm Beach County, Florida (HFA)** – This public authority was created by Palm Beach County Ordinance 79-3 pursuant to Chapter 159, Florida Statutes, as amended and supplemented. It was created to alleviate the shortage of housing available at affordable rates in Palm Beach County and the shortage of capital for investments in such housing. The Authority has the power to issue single family and multi-family revenue bonds to finance the purchase of housing by families of low and moderate income through investing in mortgage loans to eligible families. The HFA is presented as a proprietary fund type.

**Westgate/Belvedere Homes Community Redevelopment Agency (CRA)** – This agency was created by Palm Beach County Resolution 89-649 pursuant to Section 163.355, Florida Statutes. It was created in order to develop and revitalize the blighted area known as Westgate/Belvedere Homes with intent to benefit Palm Beach County as a whole by returning improved property to the County's tax base. The CRA has the power to issue redevelopment revenue bonds from time to time to finance its undertaking of community redevelopment to the designated area. The CRA is presented as a governmental fund type.

**Metropolitan Planning Organization (MPO)** – This organization was created by Palm Beach County Resolution 79-1684 pursuant to Section 334.215, Florida

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

Statutes, as amended by Section 339.175, Florida Statutes. The members of the MPO are appointed by the Governor and consist of five members of the Board of County Commissioners, eleven members from local municipalities, and one member from the governing board of the Port of Palm Beach. The purpose of the MPO is to administer and execute the inter-local agreement providing for short-term and long-term planning for all modes of travel in order to benefit the citizens of Palm Beach County. The MPO is reported as a governmental fund type.

Complete financial statements for each of the individual component units may be obtained at the respective entity's administrative offices.

Palm Beach County Public Building Corporation 301 North Olive Avenue West Palm Beach, FL 33401	Metropolitan Planning Organization 160 Australian Avenue, Suite 201 West Palm Beach, FL 33406
--	---

Solid Waste Authority of Palm Beach County 7501 North Jog Road West Palm Beach, FL 33412	Housing Finance Authority of Palm Beach County 810 Datura Street West Palm Beach, FL 33401
---	---

Westgate/Belvedere Homes Community Redevelopment Agency  
160 Australian Ave, Suite 500  
West Palm Beach, FL 33406

### **Related Organizations**

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations do not extend beyond making the appointments.

The following organizations are related organizations which have not been included in the reporting entity:

**Palm Beach County Educational Facilities Authority** – This organization was created by Palm Beach County Resolution 79-1493 pursuant to Chapter 243.18, Florida Statutes. Members of the authority are appointed by the Board of County Commissioners of Palm Beach County, but the County does not provide funding, has no obligation for the debt issued by the authority and cannot impose its will.

**Palm Beach County Health Facilities Authority** – This organization was created pursuant to Part III – Chapter 154, Florida Statutes, and by Ordinance 77-379 and 77-398 adopted by the Board of County Commissioners. Members of the authority are appointed by the Board of County Commissioners of Palm Beach County, but the County does not provide the funding, has no obligation for the debt issued by the authority and cannot impose its will.

**Palm Beach County Workforce Development Board, Inc.** – This Board was created pursuant to Palm Beach County Resolution 96-805D, as amended by

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

Resolutions 96-1539D and 97-510Dm as a result of the enactment by the Florida Legislature of the Workforce Florida Act of 1996. Members of the board are appointed by the Board of County Commissioners of Palm Beach County, but the County does not provide the funding, has no obligation for the debt issued by the board and cannot impose its will.

**Joint Ventures**

**East Central Regional Wastewater Facility**

In September 1992, Palm Beach County entered into a thirty-year joint inter-local agreement (the Agreement) with four municipalities for the East Central Regional Wastewater Facility (the Facility). The Facility was created to receive, treat and dispose of sewage generated within each municipality and the County. Under GAAP, the County is required to account for this joint venture using the equity method. Accordingly, the County recorded its initial investment at cost and is required to record its proportionate share of the Facility's income or loss. Palm Beach County's interest in the joint venture is recorded in the County's Water Utilities Enterprise Fund. As of September 30, 2007, the Facility had total assets of \$103,598,406 and total net assets of \$88,048,019 including \$62,749,048 invested in capital, net of debt, and \$12,824,422 of unrestricted net assets. September 30, 2008 amounts are expected to approximate the above figures.

The Agreement provides for the establishment of a board comprised of one representative from each participating entity, with the City of West Palm Beach being designated to administer and operate the Facility. The Facility's board has the authority to accept and disburse funds, approve an annual budget, transact business, enter into contracts and decide all other matters related to the Facility.

The proportionate share for each entity is determined by the reserve capacity of the Facility allocated to each participant. At September 30, 2008, Palm Beach County had a 33.59% interest. The participants and each entity's interest at September 30, 2008 are as follows:

PARTICIPANT	RESERVE CAPACITY PERCENTAGES
City of West Palm Beach	26.56%
Palm Beach County	33.59%
City of Lake Worth	19.53%
City of Riviera Beach	12.50%
Town of Palm Beach	7.82%
TOTAL	100.00%

Separate financial statements for the Facility may be obtained at the following address:

East Central Regional Wastewater Facilities  
City of West Palm Beach  
P.O. Box 3506  
West Palm Beach, FL 33402

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Sunshine State Governmental Financing Commission**

The Sunshine State Governmental Financing Commission (the "Commission") was created in November 1985. As a joint venture among the member governmental units, the Commission enables a limited number of qualifying governments to participate in pooled debt financing with pricing and cost structures not normally available to governmental entities acting individually.

Loan obligations from the Commission are reflected as debt by the participating governmental units. Palm Beach County has no obligation and minimal event risk associated with the Commission other than the repayment of its loan from the Commission.

Financial Statements may be obtained from the Commission.

**B. Basic Financial Statements**

The County's Basic Financial Statements contain three components; government-wide financial statements, fund financial statements and notes to the financial statements.

**Government-wide financial statements** - The government-wide financial statements provide an overview of the County's financial position using the accrual basis of accounting. The Statement of Net Assets presents information on all of the assets and liabilities of the County as a whole. The difference between assets and liabilities is reported as net assets. Changes in net assets may serve as an indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the Statement of Activities will have cash flows in future fiscal periods. For example, uncollected taxes are shown as revenues although cash receipts will occur in the future. Unused vacation leave results in an expense although related cash outflows will occur in the future.

The government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) and activities that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services and culture and recreation. The business-type activities of the County include the Water Utilities Department, the Department of Airports and the Solid Waste Authority.

The government-wide financial statements include not only the County itself (the primary government), but also its' discretely presented component units, the legally separate entities for which the County is financially accountable.

**Fund financial statements** – A fund is a grouping of related accounts that is used to

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions. All of the funds of the County may be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** – Most of the County’s basic services are reported in governmental funds, which focus on how money or other spendable financial resources flow into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County’s general governmental operations and the basic services it provides. The measurement focus is based upon determination of changes in financial resources. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs. The governmental fund category includes the general fund, special revenue funds, debt service funds, and capital project funds. There is a reconciliation of the governmental activities presented in the Statement of Net Assets and the Statement of Activities to the governmental funds presented in the fund financial statements. The following is a description of the County’s major governmental funds:

The **General Fund** is the primary operating fund of the County. It is used to account for all financial resources of the general government except those required to be accounted for in other funds. The General Fund specifically accounts for the County-wide and Municipal Services Taxing Unit portions of the General Fund.

*Special Revenue Funds:*

The **Fire Rescue Fund** is used to account for ad valorem taxes and other revenues designated for fire rescue services.

The **Sheriff’s Fund** is used to account for the expenditures necessary to carry out the powers, duties and obligations of the elected office of Sheriff as detailed in Chapter 30.15, Florida Statutes.

*Capital Projects Funds:*

The **General Government Capital Fund** is used to account for improvements not included in any other category. It is a major fund for public interest reasons.

The **Road Program Capital Fund** is used to account for costs related to the design and acquisition of rights of way and the construction of improvements to the County’s major thoroughfare road system, primarily represented by the County’s Five Year Road Program.

All other nonmajor governmental funds are aggregated into a single column for presentation purposes.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Proprietary Funds** – The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water Utilities Department, its Department of Airports and the Solid Waste Authority. All three of these operations are considered to be major proprietary funds of the County. Internal Service Funds are used to accumulate and allocate costs internally among the County's other functions. The County uses internal service funds to account for Fleet Management, Graphics, Risk Management and Information Systems Service programs. These programs are included in the governmental activities column of the government-wide financial statements because they predominantly benefit governmental rather than business-type functions. The measurement focus is based on changes in economic resources. The five internal service funds are aggregated into a single column for presentation in the proprietary fund financial statements. The County's three major proprietary funds are described below:

The **Water Utilities Department Fund** is used to account for the operations of the water and wastewater system in the unincorporated areas of the County. Water and wastewater fees are determined annually by rate studies and are set at levels to recover the expenses of operations, including debt service, in a manner similar to private business enterprises. Activities necessary to provide water and wastewater service are accounted for in this fund, including customer service, engineering, operations and maintenance.

The **Department of Airports Fund** is used to account for the operations of the four County-owned airports – Palm Beach International Airport in West Palm Beach and three general aviation airports located in Palm Beach Gardens, Lantana and Pahokee.

The **Solid Waste Authority Fund** is used to account for the operations of the Solid Waste Authority on a countywide basis. Refuse generated in the unincorporated areas of the County is collected by franchised and non-franchised collectors serving residential and commercial customers and by private companies servicing their own customers. Refuse dumping fees are reviewed annually and are set at levels sufficient to recover operating and debt service expenses.

**Agency Funds** are custodial in nature (assets equal liabilities) and do not measure results of operations. Agency funds are used to account for resources held by the government as an agent for individuals, private organizations and other governments. Assets held include cash bonds, purchasing bid bonds, security deposits, fines and forfeitures, tax deeds, tax payments, and license and registration payments. These funds are not included in the government-wide financial statements because the resources in these funds are not available to support the County's own programs.

**C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment for transactions is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. The Agency fund financial statements are presented using the accrual basis of accounting.

With the economic resources measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. With the accrual method of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Government-wide financial statements and proprietary fund financial statements show increases (revenues) and decreases (expenses) in net assets.

Governmental fund financial statements are presented using the current financial resources and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds show increases (i.e. revenues and other financing resources) and decreases (i.e. expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they become both measurable and available to pay liabilities of the current period. For this purpose, the County considers revenue to be available if they are collected within 60 days of year-end. Revenues not considered available are recorded as deferred revenues. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and other post employment benefits are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended for the specific purpose or project before any intergovernmental revenues will be received by the County; therefore, revenues are recognized based upon the expenditures incurred when the eligibility requirements are met, if "available" under modified accrual. In the other, intergovernmental revenues are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

#### **D. Cash and Investments**

Additional information is provided in Note 2, Cash and Investments.

#### **Deposits**

All deposits are held in qualified public depositories pursuant to the Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act" and are covered by either federal depository insurance or collateral held by the Chief Financial Officer of Florida.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the Chief Financial Officer of Florida from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool.

**Cash Equivalents**

Highly liquid investments with maturities of three months or less when purchased are reported as cash equivalents. The funds' investments in the County's internal investment pool are reported in the fund financial statements as cash equivalents. For the entity-wide Statement of Net Assets, the primary government's investment in the internal investment pool is reported separately from investments held outside the pool.

*Internal Investment Pool*

The County maintains an investment pool for substantially all cash and cash equivalents and investments of all funds. All money market investments and participating interest earning investment contracts with a remaining maturity at time of purchase of ninety days or less are recorded at amortized cost plus accrued interest. All other investments are carried at fair value as determined from quoted market prices. Each fund's portion of the pool is presented as "cash and cash equivalents", "investments" or "restricted assets" as appropriate. Earnings are allocated to each fund based on average daily balances of cash and investments. The County considers cash and cash equivalents to be cash on hand, demand deposits, investments and equity in the County's cash management internal investment pool. The internal investment pool is reported as a cash equivalent in accordance with GASB 9 footnote 5 and the 2008 GASB Comprehensive Implementation Guide, paragraph 2.13.1.

**Investments**

State statues and local ordinances authorize County investments in obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements, interest-bearing time deposits, savings accounts, the Local Government Surplus Funds Trust Fund (State Board of Administration), the Florida Local Government Investment Trust (FLGIT), collateralized mortgage obligations (CMO), certain corporate securities, bankers acceptances, and money market mutual funds.

State statues authorize Solid Waste Authority (SWA) investments in the Local Government Surplus Funds Trust Fund (State Board of Administration), interest-bearing time deposits, savings accounts, negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government, obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank or its districts, interest rate swap agreements, and obligations guaranteed by the Government National Mortgage Association and obligations of the Federal National Mortgage Association and mutual funds limited to U.S. Government securities.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

All investments are reported at fair value except for the following which are reported at amortized cost as permitted by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*:

Local Government Surplus Funds Trust Fund (State Board of Administration),  
Guaranteed Investment Contracts (nonparticipating),  
Money Market Mutual Funds.

The following external investment pools are not SEC-registered:

The Local Government Surplus Funds Trust Fund (State Board of Administration of Florida) is an external investment pool operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Regulatory oversight of the State Board of Administration is provided by three elected officials who are accountable to the electorate: the Governor of the State of Florida, as Chairman; the Chief Financial Officer of Florida, as Treasurer; and the State Comptroller, as Secretary. External oversight of the State Board of Administration is provided by the Investment Advisory Council which reviews the investments made by the staff of the Board of Administration and makes recommendations to the Board regarding investment policy, strategy, and procedures. Audit oversight is provided by the Florida Auditor General's Office. The share price of this investment represents the fund's amortized cost as permitted for a 2a7-like pool.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool developed jointly by the Florida Association of Court Clerks and the Florida Association of Counties. The FLGIT has no regulatory oversight, but has been recognized by an Internal Revenue Service private letter ruling as a tax-exempt organization, received a Standard and Poor's rating and is governed by a six member Board of Trustees. The share price of this investment represents the fair value of the fund's underlying investments.

#### **E. Accounts and Other Receivables**

Accounts receivable are recorded net of allowances for bad debts. Allowance for uncollectible receivables is based upon historical trends and the periodic aging of receivables. These allowances relate to the enterprise funds and are not significant. Billings to water utility customers are based on metered consumption which is determined at various dates each month. Estimated unbilled consumption at year-end is recognized as revenue in the Water Utilities Fund. Other receivables include low income housing loans to individuals and developers, a loan to the convention center and a contribution receivable from FAU as part of the Scripps project.

#### **F. Inventories and Prepaid Items**

Inventories consisting primarily of materials and supplies are stated at cost based upon the first-in, first-out method. Purchases of inventories for governmental funds are reported as expenditures in the period purchased, except for the Sheriff, which is accounted for using the consumption method. Inventories for governmental fund types, which use the purchases method, are reported on the governmental funds balance sheet as an asset of the fund with a corresponding reserve against fund balance. Inventories of

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

proprietary type funds are reported as an expense when consumed in the operations of the fund.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Expenditures for insurance and similar services extending over more than one accounting period are accounted for as expenditures of the period of acquisition.

**G. Capital Assets**

Property, plant, and equipment and infrastructure assets (such as roads, sidewalks, bridges, and drainage systems) are reported in the applicable governmental or business-type activities columns of the government-wide financial statements and proprietary fund financial statements. All work in process for the current fiscal year has been capitalized as Construction In Progress as the related projects have not yet been completed. Capital assets are defined as those assets with an initial, individual cost of over \$1,000. Contributed capital assets are recorded at their estimated fair value at the time received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In addition, net interest costs are capitalized on projects during the construction period. Depreciation is calculated using the straight-line method over estimated useful lives as follows:

Asset Classification	Estimated Useful Life (In Years)
Buildings, Utility Plants and Systems	10-50
Furniture, Fixtures and Equipment	2-15
Improvements Other Than Buildings	5-20
Infrastructure	20-50

In the governmental fund financial statements, the costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets.

Goodwill is determined based on the difference between the acquisition price and the fair value of all assets acquired. Amortization of goodwill related to the utility system acquisition is also computed on the straight-line method. The Water Utilities Department has two items of goodwill: 1.) the goodwill resulting from the acquisition of the Village of Royal Palm Beach's Utility System is amortized over 30 years which represents the period the bonds issued to fund the acquisition will be outstanding, and 2.) the goodwill resulting from the acquisition of the Indian Trail Improvement District Utility System is amortized over 40 years.

**H. Compensated Absences**

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the County accrues a liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences. Vacation leave is accrued as a liability as the benefits are earned by the employees. Sick leave is also accrued as a liability as the benefits are earned by the employees, but only to the extent

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

that it is probable that the County will compensate the employees for the benefits through cash payments at termination or retirement.

Under the accrual basis of accounting used in the government-wide financial statements and the separate proprietary fund financial statements, the entire compensated absences liability (long-term and short-term) is reported when earned as described above. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

**I. Landfill Closure and Post-closure Care Costs**

In accordance with governmental accounting standards, the County, as a municipal solid waste land owner, records a current expense and the related long-term liability for certain future landfill closure and Post-closure care costs for landfills still accepting solid waste. The portion of these future costs currently recognized is based on the amount of landfill capacity consumed as of each balance sheet date. The County also records the current estimated liability for remediation and monitoring costs for landfills that closed on or before October 9, 1991. More information on these expenses and related long-term liabilities is disclosed in the *Landfill Closure and Post-closure Care Costs* Note.

**J. Deferred Issuance Costs, Bond Discounts, Premiums and Deferred Amounts on Refunding**

At the government-wide level and in the proprietary funds, expenses incurred in connection with the issuance of long-term debt, as well as bond discounts, premiums and deferred amounts on refunding, are deferred and amortized over the term of the related financing using a method that approximates the effective interest method. For governmental funds, these costs are considered to be period costs.

**K. Self-Insurance**

The County maintains a Risk Management (Workers' Compensation) self-insurance program, a Casualty self-insurance program, and an Employee health self-insurance program which are accounted for as internal service funds. The County has elected to essentially self-insure itself for health benefits to County employees and employees of component units of the County electing to participate in the plan. The plan covers approximately 4,900 participants.

The three (3) self-insurance programs are designed to be self-sustaining through actuarially determined premiums established annually to cover expected claims, administration and a margin for unexpected losses or expenses.

**L. Financial Reporting for Government-wide and Proprietary Funds**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

**M. Pension and Other Post-Employment Benefits Disclosure**

The County applies GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for the measurement, recognition, and display of pension expenditures or expenses as discussed in a subsequent note.

The County applies GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the measurement, recognition, and display of OPEB expenditures or expenses, liabilities and assets as discussed in a subsequent note.

**N. Elimination of Internal Activity**

In the government-wide Statement of Activities, interfund activity, such as transfers in and out as well as transfers within the Internal Service Funds and within the Governmental Activities category is eliminated. Interfund activity between governmental and business-type activities is not eliminated. Interfund services provided and used between functions are not eliminated because removing interfund services would distort the functional expenses presented in the Statement of Activities.

**O. Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**P. Budgets**

**BOARD OF COUNTY COMMISSIONERS**

Pursuant to Chapter 129, Florida Statutes, General Budget Policies, the following procedures are followed by the Board of County Commissioners in establishing, adopting and maintaining the operating budget.

1. On or before July 15, the County Administrator, through the Office of Financial Management and Budget (OFMB) submits to the Board of County Commissioners a tentative budget for the fiscal year commencing the following October 1. This is a detailed plan outlining all programs and estimated departmental revenues and expenditures for the upcoming year.
2. Taxpayers are informed of the proposed budget and tentative millage rates through advertising and public hearings which are held to elicit taxpayer comments.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

3. The budget is legally adopted through Board of County Commission action for the fiscal year beginning October 1.
4. The Board at any time within a fiscal year may amend a budget for that year as follows:
  - a. Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by action recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board of County Commissioners, however, may establish procedures by which the designated budget officer may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
  - b. Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
  - c. A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund. During fiscal year 2008, supplemental appropriations amounted to a net increase of \$635,517,211, or approximately 15.8% of the original budget.
5. It is unlawful for the Board to expend or contract for the expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. In addition, to comply with the above statutory requirements, the Board of County Commissioners has elected to adopt management controls and approved guidelines, which provide for the budget to be controlled at a detail level greater than the statutory level of control. This control (effective legal level) is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at OFMB. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

#### CLERK OF CIRCUIT COURT

Chapter 218.35, Florida Statutes, governs the preparation, adoption and administration of the Clerk & Comptroller's (the Clerk) annual budget. The Clerk, as county fee officer, establishes an annual budget for her office, which clearly reflects the revenues available to the office and the functions for which the money is to be expended.

The Clerk, functioning in her capacity as Clerk of the Circuit and County Courts and as Clerk of the Board of County Commissioners, prepares her budget in two parts:

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

1. The budget for funds necessary to perform court-related functions as provided for in Florida Statute 28.36, which details the methodologies used to apportion costs between court-related and non-court-related functions performed by the clerk.
2. The budget relating to the requirements of the Clerk as Clerk of the Board of County Commissioners, County Auditor, and Custodian or Treasurer of all county funds and other county related duties.

**SHERIFF**

Chapter 30.49, Florida Statutes, governs the preparation, adoption and administration of the Sheriff's annual budget. By May 1 each year, the Sheriff shall certify to the Board a proposed budget of expenditures for performing the duties of his office for the ensuing fiscal year. The Sheriff's budget is legally adopted by Board of County Commission action for the fiscal year beginning October 1.

**TAX COLLECTOR AND PROPERTY APPRAISER**

Chapter 195.087, Florida Statutes, governs the preparation, adoption and administration of the budgets of the Tax Collector and Property Appraiser. On or before a legally designated date each year, the Tax Collector and the Property Appraiser shall submit to the Florida Department of Revenue a budget for the ensuing fiscal year. A copy of such budget shall be furnished at the same time to the Board of County Commissioners. Final approval of the budgets is given by the Florida Department of Revenue.

**SUPERVISOR OF ELECTIONS**

Chapter 129, (sections .02 and .202), Florida Statutes, governs the preparation, adoption and administration of the budget of the Supervisor of Elections. On or before June 1 of each year, the Supervisor of Elections shall submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year.

However, the Board of County Commissioners of Palm Beach County, by resolution R-95-1195, requires the tentative budget to be submitted by May 1 of each year.

**Q. Encumbrances**

The County uses encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders are completed. Since appropriations lapse at year end, it is the County's policy to liquidate open encumbrances and re-appropriate such amounts in the beginning of the next fiscal year.

**R. Designations of Unreserved Fund Balances**

Unreserved fund balances as of September 30, 2008, have the following significant designations:

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

Designation	Amount
General Fund:	
Encumbrances	\$ 1,373,251
Contingency	\$20,000,000
Special Revenue Funds:	
Encumbrances	28,275,078
Fire Rescue Long-Term Disability	13,031,419
Capital Projects Funds:	
Encumbrances	250,010,021

Amounts designated for encumbrances represent outstanding purchase orders, contracts, and other commitments at year-end, which were re-appropriated at the beginning of fiscal year 2009, in accordance with County policy.

The amount designated for contingencies represents the portion of fund balance that was designated by the Board of County Commissioners for unforeseen expenditures or potential revenue shortfalls in fiscal year 2009.

In addition to these designations, unreserved Fund Balances in the Special Revenue Funds and Capital Project Funds are usually required to be expended for specific purposes and are not available for general county-wide purposes.

**S. Operating versus Non-operating Revenue and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the County's Enterprise and Internal Service funds are charges to customers for sales and services. Operating revenues for the Enterprise Funds include water and wastewater service fees, airport fees and charges and solid waste refuse fees. For the Internal Service funds, operating revenues include charges to other departments for various maintenance, communications and insurance services. Operating expenses for the Enterprise and Internal Service Funds include costs of sales and services, administrative fees, insurance payments and depreciation. All revenues and expenses not meeting this definition are considered non-operating items.

**T. Use of Restricted Resources**

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**U. Fund Equity and Net Assets**

*Fund Equity*

The County has established certain reservations of fund equity to indicate the portion of fund balance that is not appropriable for expenditure or is legally segregated for a specific future use. Reservations of fund balance are reported on the Balance Sheet.

*Net Assets*

Invested in capital assets, net of related debt is that portion of net assets that relates to the County's capital assets, reduced by debt outstanding used to purchase or construct the capital assets. The related debt is reduced by any unspent proceeds that are outstanding at fiscal year-end.

Restricted net assets is that portion of net assets that has been restricted from general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. The entity-wide statement of net assets (government activities) reports \$721,136,994 of restricted net assets, of which \$300,943,706 is restricted by enabling legislation.

**V. Property Tax**

Taxes in Palm Beach County are levied by the Board of County Commissioners for the County. The millage levies are determined on the basis of estimates or revenue needs and the total taxable valuations within the jurisdiction of the Board of County Commissioners. No aggregate ad valorem tax millage (in excess of 10 mills on the dollar) is levied against property of the County as specified in Chapter 200.071, Florida Statutes.

Each year the total taxable valuation is established by the County Property Appraiser and the list of property assessments is submitted to the State Department of Revenue for approval. County ad valorem taxes are a lien on the property against which they are assessed from January 1 of the year of assessment until paid or barred by operation of law (statute of limitations). Taxes are levied on October 1, become due and payable on November 1 of each year, or as soon thereafter as the assessment roll is opened for collection, and are delinquent on April 1 of the following year.

Pursuant to Florida law, the Tax Collector advertises and sells tax certificates on all real property for which there are unpaid taxes. Accordingly, there is no property taxes receivable as of September 30, 2008.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

For the 2007 tax roll year, the assessment roll was opened for collection on November 1, 2007, and discounts for payment prior to April 1, 2008, were determined as follows:

4%	if paid in November 2007
3%	if paid in December 2007
2%	if paid in January 2008
1%	if paid in February 2008

**W. Interest Costs**

Interest costs are charged to expense or expenditure as incurred. Proprietary funds follow the provisions of FASB Statement No. 34, *Capitalization of Interest Costs* and No. 62, *Capitalization of Interest Cost on Certain Tax-Exempt Borrowings and Certain Gifts and Grants*. Interest cost incurred by proprietary funds for the fiscal year ended September 30, 2008 amounted to \$24,030,469, of which \$2,352,563 was capitalized.

**2. CASH AND INVESTMENTS**

Additional cash and investment information is provided in Note 1, paragraph D (Summary of Significant Accounting Policies - Cash and Investments).

At September 30, 2008 the cash and investments consisted of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits in Financial Institutions	\$ 176,983,687	<u>\$ 227,837,992</u>
Cash on hand	180,756	
Investments	<u>2,098,095,556</u>	
Total	<u>\$ 2,275,259,999</u>	

Cash and investments are reported in the Statement of Net Assets as follows:

	<u>Primary Government</u>	<u>Agency Funds</u>	<u>Total</u>
Cash and cash equivalents			
Internal investment pool	\$ 1,767,972,247	\$ 10,162,045	\$ 1,778,134,292
Non-pool accounts	408,948,033	64,245,937	473,193,970
	<u>2,176,920,280</u>	<u>74,407,982</u>	<u>2,251,328,262</u>
Investments			
Fund investments	23,931,737	-	23,931,737
	<u>\$ 2,200,852,017</u>	<u>\$ 74,407,982</u>	<u>\$ 2,275,259,999</u>

The County's internal investment pool is reported as a cash equivalent, in accordance with the following GAAP. Per GASB 9 footnote 5, cash includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts where the County may deposit additional cash at any time and also withdraw cash at any time without prior notice or penalty. Per the 2008 GASB Comprehensive Implementation Guide paragraph 2.13.1, a participant's equity in an

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

internal cash management or investment pool is considered cash if the participant is able to withdraw cash at any time without prior notice or penalty. Accordingly, the County's internal investment pool is reported as a cash equivalent.

The investments of the primary government are as follows:

Entity	% of Primary Govt	
	Investments	
Internal Investment Pool	\$ 1,795,398,372	85.6%
Solid Waste Authority	274,145,112	13.1%
Airports	19,665,715	0.9%
Clerk & Comptroller	3,989,859	0.2%
Property Appraiser	3,771,914	0.2%
County Funds	919,500	0.0%
Tax Collector	203,779	0.0%
Sheriff	1,305	0.0%
	<u>\$ 2,098,095,556</u>	<u>100.0%</u>

As of September 30, 2008, the primary government had the following investments:

Investment Type	Maturity in Years			
	Fair Value	Less Than 1 Year	1 Year but Less Than 3 Years	3 Years but Less Than 10 Years
Investments subject to interest rate risk				
Adjustable Rate Securities	\$ 427,917,477	\$ -	\$ 15,107,430	\$ 412,810,047
Collateralized Mortgage Obligations	368,347,836	-	172,066,240	196,281,596
Mortgage Backed Securities	317,852,636	4,375,520	13,758,292	299,718,824
Indexed Amortization Notes	205,908,923	-	7,897,015	198,011,908
Callable Bonds	200,949,845	200,949,845	-	-
Step Rate Bonds	45,021,910	45,021,910	-	-
Corporate Notes	41,740,605	-	-	41,740,605
External Investment Pools	29,731,969	-	27,580,920	2,151,049
Foreign Government Bonds	5,054,612	-	5,054,612	-
Fixed Rate Term Bonds	919,500	919,500	-	-
	<u>1,643,445,313</u>	<u>\$ 251,266,775</u>	<u>\$ 241,464,509</u>	<u>\$ 1,150,714,029</u>
Other investments				
Money Market Mutual Funds	360,189,012			
External 2a7-like Investment Pools	73,311,309			
Guaranteed Investment Contracts	21,149,922			
	<u>\$ 2,098,095,556</u>			

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County Investment Policy, the Clerk & Comptroller manages the County's internal investment pool's exposure to declines in fair values by managing overall effective duration appropriate to the risk tolerance in meeting stated objectives. The Policy states that at the time of purchase, the County's investments must have a final maturity or average life of 10 years or less. The County's Investment Policy limits investments in collateralized mortgage obligations (CMO) to 20% of total value of the County's internal investment pool. Investments in IO (interest only), PO (principal only), inverse floaters, other volatile CMO types, and corporate convertible

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

securities are all prohibited. All CMO issues must pass the Federal Financial Institutions Examination Council (FFIEC) High Risk Security Test on a quarterly basis, or as specified in any Trust Indenture.

In accordance with its investment policy, the Solid Waste Authority manages its exposure to declines in fair values by limiting U.S. Treasury obligations/instrumentalities to maturities of no more than 5 years, U.S. Federal Agency securities to maturities of no more than 3 years and interest rate swap agreements to no more than 10 years.

**Credit Risk**

Credit risk is the risk that an issuer will not fulfill its obligations.

Investments	Fair Value	Percentage of Total Portfolio	Standard & Poor's Investment Rating Service
Investments to credit risk			
U.S Government Sponsored Enterprises (GSE)	\$ 1,245,492,674	59.4%	AAA
Money Market Mutual Funds	360,189,012	17.2%	AAAm
U.S. Treasuries & Guaranteed Agencies	321,424,148	15.3%	U.S. Guarantee
Corporate Securities	32,652,683	1.6%	AAA
Florida Local Government Investment Trust (FLGIT)	27,580,920	1.3%	AAAf
Guaranteed Investment Contracts	21,149,922	1.0%	Not rated
Corporate Securities	9,087,922	0.4%	AA-
Foreign Government Bonds	5,054,612	0.2%	A-
Local Government Surplus Funds Trust Fund (SBA pool A)	73,311,309	3.5%	AAAm
Local Government Surplus Funds Trust Fund (SBA pool B)	2,151,049	0.1%	Not rated
Private Issue Collateralized Mortgage Obligation	1,305	0.0%	AAA
	<u>\$2,098,095,556</u>	<u>100.0%</u>	
No rating by Moody's or Fitch was lower then Standard and Poor's. Some securities were not rated by Moody's and Fitch.			

**Local Government Investment Pool and Fund B:** On November 29, 2007 the Board of Trustees of the State Board of Administration (SBA) closed the LGIP to all redemptions by participants due to substantial withdrawals from the LGIP over the two preceding weeks that severely reduced the overall liquidity of the LGIP. The withdrawals were in response to published press reports concerning the exposure of the LGIP investments to potential losses from sub-prime mortgage investments. On December 4, 2007 the Board of Trustees approved a restructuring plan for the LGIP and engaged a new investment manager for the LGIP.

The restructuring divided the LGIP into two separate pools, the LGIP and Fund B representing approximately 86% and 14%, respectively, of the original LGIP assets. The

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

LGIP was designated as the ongoing fund consisting of only short-term, money market assets of the highest quality. On December 6, 2007, the LGIP re-opened to accept new deposits from participants and allow restricted withdrawals. Fund B retained all securities from the original LGIP that had defaulted, were in default or had extended payment terms or potentially elevated credit risk. Fund B is closed to deposits and withdrawals and is generally expected to hold all assets to their ultimate maturity and to distribute funds to participants as they become available. The Fund B investment is recorded at fair value based on the net asset value of the Fund B assets reported by the SBA.

The ultimate realizable value and the date when the LGIP Fund B investment will be available to the participant cannot be determined at this time. Additional information on the current status of the LGIP may be obtained from the State Board of Administration.

In accordance with the County's Investment Policy for the internal investment pool, investments in commercial paper and bankers acceptances are limited to ratings of A-1 or P-1 or higher by Standard and Poor's and Moody's respectively. Investments in corporate securities are limited to ratings of AA or higher by Standard and Poor's and Moody's. Corporate securities are limited to no more than 20% of the investment pool's total market value, excluding commercial paper, which is limited to 25% of the total market value. No-load money market mutual funds backed by government bonds are allowable if rated in the highest rating category of a Nationally Recognized Statistical Rating Organization (NRSRO).

In accordance with the Solid Waste Authority's investment policy, investments are limited to the State of Florida Local Government Surplus Funds Trust Fund (an external 2a7-like pool), U.S Treasury and Instrumentality obligations, U.S. Agency securities and investments that are fully collateralized or secured.

**Custodial Credit Risk- Investments**

This type of risk would arise in the event of the failure of a custodian of County investments, after which the government would not be able to recover the value of its investments that are in the possession of the third party custodian.

To guard against this risk, the County's investment policy for the internal investment pool requires that all securities be insured or registered in the name of the County and held by a third party custodial institution, with capital and surplus stock of at least \$500 million and a separate custody account at the Federal Reserve Bank (FED) specifically designated by the FED as restricted for the safekeeping of the member-bank's customer-owned securities only. All securities purchased or sold are transferred "delivery versus payment" (D.V.P.) or "payment versus delivery" to ensure that funds or securities are not released until all criteria relating to the specific transactions are met.

The Solid Waste Authority's investment policy requires that all securities be registered in the name of the SWA and held by a third party safekeeping institution.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**Concentration Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer.

Investment Issuer	Fair Value	Percentage of Total
Florida National Mortgage Association (Fannie Mae)	478,101,503	22.7%
Federal Home Loan Mortgage Company (Freddie Mac)	\$ 455,566,539	21.7%
Other combined- less than 5% per issuer	324,259,667	15.5%
Federal Home Loan Bank	297,300,674	14.2%
Government National Mortgage Association (Ginnie Mae)	273,215,708	13.0%
AIM Institutional Money Market Fund	155,024,913	7.4%
Dreyfus Govt Money Market Fund	114,626,552	5.5%
	\$ 2,098,095,556	100.0%

The County's investment policy for the internal investment pool limits investments in corporate securities to 2% of total pool market value per single issuer.

In accordance with the Solid Waste Authority's investment policy, securities of a single issuer are limited to 5% of the portfolio's fair value except for U.S. Treasuries, U.S. Government instrumentalities and U.S. Federal Agencies which are limited to 10%. Interest rate swap agreements and GIC agreements are limited to 50% of the portfolio's fair value.

**Foreign Currency Risk:**

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk. The County was invested in foreign bonds denominated in U.S. dollars.

**COMPONENT UNITS:**

**Westgate/Belvedere Homes Community Redevelopment Agency (CRA)**

As of September 30, 2008, the carrying value of deposits with financial institutions was \$,635,479 and the bank balance was \$1,678,337. The CRA was invested in the Local Government Surplus Funds Trust Fund (SBA) Pool A with a fair value of \$383,685 and \$17,635 in Pool B. Pool A is an external 2a7-like investment pool which is not SEC-registered. See Note 1 paragraph D (Summary of Significant Accounting Policies) for additional information.

**Interest rate risk:**

The weighted average maturity for the underlying investments of the SBA pool A is 9 days and pool B is 9.4 years as of September 30, 2008. CRA has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

losses arising from increasing interest rates.

**Credit risk:**

The SBA pool A is rated AAAm by Standard & Poor and pool B is not rated. The CRA has no formal investment policy that limits investment credit risk.

**Custodial credit risk- investments:**

The CRA has no formal investment policy that limits custodial credit risk.

**Concentration risk:**

100% of investments are invested in the SBA. The CRA has no formal investment policy that limits investment concentration risk.

**Palm Beach County Housing Finance Authority (HFA)**

As of September 30, 2008, HFA had the following investments:

Investments	Fair Value	Percent of Total Investments	Maturity	Standard & Poor's Investment Rating Service
Fidelity U.S. Treasury Portfolio Money Market Mutual Fund	\$ 8,108,292	96.6%	53 days	AAAm
Government National Mortgage Association Bond (Ginnie Mae)	133,132	1.6%	11/15/2024	Guaranteed by U.S. Govt
Government National Mortgage Association Bond (Ginnie Mae)	80,136	1.0%	4/15/2025	Guaranteed by U.S. Govt
Local Government Surplus Funds Trust Fund (State Board of Administration) Pool A	5,504	0.1%	9 days	AAAm
Local Government Surplus Funds Trust Fund (State Board of Administration) Pool B	2,554	0.0%	9.4 years	Not Rated
Single Family Bond Issues Series 1999A	29,422	0.4%	4/1/2032	Not Rated
Single Family Bond Issues Series 1999B	26,939	0.3%	4/1/2031	Not Rated
<b>Total investments</b>	<b>\$8,385,979</b>	<b>100.0%</b>		

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Single Family Bond Issues:**

The Authority provided funds for the issuance costs of certain Housing Finance Authority of Palm Beach County Single Family Mortgage Revenue Bonds. Similar to interest-only strips, the repayment is being made by receipt of a certain fixed percentage of each monthly interest payment for GNMA Certificates and FNMA Securities related to the Single Family Mortgage Revenue Bond Issues.

The investments in Single Family Bond Issues are valued at the costs incurred to date until the end of the Bond issue's certificate acquisition period (typically within 18 months). From that point forward, the investments are valued at fair value based on the assumed prepayment rates (between 150% and 100% of the Public Security Association prepayment model) and a discount rate of 10%. The fair value of these investments is subject to fluctuations in the prepayment rate. The valuations are based on projections provided by the original bond underwriters. Any impairment to the recorded investment balance is recorded when identified.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Cash and cash equivalents have a weighted average maturity of less than one year, resulting in minimal interest rate risk. The Authority's investment policy limits the maturity of investments to match cash and anticipated cash flow requirements. The investment in GNMA securities and Single Family Bond issues is subject to interest rate risk as a function of the length of time to maturity and are based on pools of residential home mortgage loans which are subject to prepayments and therefore highly sensitive to changes in interest rates.

**Credit Risk:**

Credit risk is the risk that an issuer will not fulfill its obligations. The Authority's investment policy addresses credit risk by limiting allowable investments to the State of Florida Local Government Surplus Funds Trust Fund, deposits with a financial institution meeting the requirements of a Florida Qualified Public Depository, and securities guaranteed by the U.S. Government. The security rating by a Nationally Recognized Statistical Rating Organization (NRSRO) is also an indication of credit risk. The Local Government Surplus Funds Trust Fund B and Single Family Bond issues do not carry a credit rating. The Fidelity Institutional U.S. Treasury Portfolio money market fund and GNMA securities are rated AAAM and AAA respectively by Standard & Poor's at September 30, 2008

On November 29, 2007 the Board of Trustees of the SBA closed the Local Government Surplus Funds Trust Fund to all redemptions by participants due to substantial withdrawals over the two preceding weeks that severely reduced the overall liquidity of the fund. On December 6, 2007 withdrawals (with some limitations) were permitted. In addition, for the month of November 2007 no investment earnings were credited to participating governments.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Custodial Credit Risk:**

Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third party safekeeping institution. The investments in the Fidelity Institutional U.S. Treasury Portfolio money market mutual fund and Local Government Surplus are considered *unclassified* pursuant to the custodial credit risk categories. The investments in GNMA securities and Single Family Bond issues are held by the Authority's safekeeping agent in the Authority's name.

**Concentration of Credit Risk:**

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in any one issuer, except for investments in the Local Government Surplus Funds Trust Fund and U.S. Treasury obligations, which are not limited.

**Metropolitan Planning Organization (MPO)**

At September 30, 2008 MPO's equity in Palm Beach County's internal investment pool was \$266,086 which is included with other primary government receivables in the Statement of Net Assets in "Due from primary government.

**Interest rate risk:**

The County's internal investment pool had an effective duration of 2.1 years as of September 30, 2008. MPO has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit risk:**

The County's internal investment pool is rated AA Af/S1 by Standard & Poor's at September 30, 2008. MPO has no formal investment policy that limits investment credit risk.

**Custodial credit risk- investments:**

The MPO has no formal investment policy that limits custodial credit risk.

**Concentration risk:**

100% of investments are invested in the County's internal investment pool. MPO has no formal investment policy that limits investment concentration risk.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**3. RELATED PARTY TRANSACTIONS**

Various departments within the County provide goods, administration, public safety, maintenance and various other services to other operating departments. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties. The most significant of these transactions involves the reimbursement of indirect costs in accordance with the indirect cost plan. Accordingly, the reimbursement of these indirect costs in fiscal year 2008 was \$17,319,377.

**4. CAPITAL ASSETS**

A summary of changes in capital assets follows:

**Primary Government**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Non-depreciable assets:				
Land	\$ 700,758,869	\$ 41,121,759	\$ (3,998,533)	\$ 737,882,095
Construction In Progress	334,868,186	174,953,603	(178,755,401)	331,066,388
Total non-depreciable assets	<u>1,035,627,055</u>	<u>216,075,362</u>	<u>(182,753,934)</u>	<u>1,068,948,483</u>
Depreciable assets:				
Buildings and improvements	752,686,929	67,128,353	(9,255,235)	810,560,047
Improvements other than buildings	278,600,651	21,432,561	(508,764)	299,524,448
Equipment	509,940,203	69,634,642	(50,110,341)	529,464,504
Infrastructure	1,155,985,081	51,012,412	-	1,206,997,493
Total depreciable assets	<u>2,697,212,864</u>	<u>209,207,968</u>	<u>(59,874,340)</u>	<u>2,846,546,492</u>
Less accumulated depreciation for:				
Buildings and improvements	(237,851,966)	(20,810,562)	8,763,860	(249,898,668)
Improvements other than buildings	(151,863,528)	(9,775,447)	493,878	(161,145,097)
Equipment	(332,641,036)	(54,417,977)	45,727,623	(341,331,390)
Infrastructure	(914,426,714)	(24,611,275)	-	(939,037,989)
Total accumulated depreciation	<u>(1,636,783,244)</u>	<u>(109,615,261)</u>	<u>54,985,361</u>	<u>(1,691,413,144)</u>
Total capital assets, being depreciated, net	<u>1,060,429,620</u>	<u>99,592,707</u>	<u>(4,888,979)</u>	<u>1,155,133,348</u>
Total governmental capital assets, net	<u>\$2,096,056,675</u>	<u>\$ 315,668,069</u>	<u>\$(187,642,913)</u>	<u>\$ 2,224,081,831</u>

In 2008, the County determined that certain improvements to the Mecca Farms property initially intended for the Biomedical Research Park experienced a decline in service utility and therefore an impairment loss of \$37.8 million. This is recorded in Economic Environment in the statement of activities.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b>Business-type Activities:</b>				
Non-depreciable assets:				
Land	\$ 160,616,178	\$ 1,062,682	\$ (140,802)	\$ 161,538,058
Construction In Progress	264,835,841	185,922,882	(307,406,771)	143,351,952
Total non-depreciable assets	<u>425,452,019</u>	<u>186,985,564</u>	<u>(307,547,573)</u>	<u>304,890,010</u>
Depreciable assets:				
Buildings and improvements	548,200,490	120,111,764	-	668,312,254
Improvements other than buildings	1,225,728,727	159,342,400	-	1,385,071,127
Equipment	226,223,230	44,256,303	(14,188,063)	256,291,470
Intangible - easement rights	14,101,313	1,314,500	-	15,415,813
Leasehold interest	12,010,002	-	-	12,010,002
Goodwill	5,286,966	1,844,737	-	7,131,703
Total depreciable assets	<u>2,031,550,728</u>	<u>326,869,704</u>	<u>(14,188,063)</u>	<u>2,344,232,369</u>
Less accumulated depreciation for:				
Buildings and improvements	(242,499,145)	(20,313,739)	-	(262,812,884)
Improvements other than buildings	(446,282,633)	(34,939,111)	-	(481,221,744)
Equipment	(148,617,396)	(20,297,626)	13,785,322	(155,129,700)
Intangible - easement rights	(2,127,674)	(343,874)	-	(2,471,548)
Leasehold interest	(1,753,555)	(1,201,000)	-	(2,954,555)
Goodwill	(254,677)	(225,169)	-	(479,846)
Total accumulated depreciation	<u>(841,535,080)</u>	<u>(77,320,519)</u>	<u>13,785,322</u>	<u>(905,070,277)</u>
Total capital assets, being depreciated, net	<u>1,190,015,648</u>	<u>249,549,185</u>	<u>(402,741)</u>	<u>1,439,162,092</u>
Total business-type capital assets, net	<u>\$ 1,615,467,667</u>	<u>\$ 436,534,749</u>	<u>\$ (307,950,314)</u>	<u>\$ 1,744,052,102</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

General government	\$ 19,588,263
Public safety	26,426,750
Physical environment	865,156
Transportation	31,277,855
Economic environment	222,489
Human services	1,641,225
Culture and recreation	17,231,718
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on their usage of the assets.	<u>12,122,545</u>
Total depreciation expense - governmental activities	109,376,001
Adjustments to accumulated depreciation	<u>239,260</u>
Total increases to accumulated depreciation	<u>\$ 109,615,261</u>

**Business-type Activities:**

Water Utilities Department	\$ 37,105,975
Department of Airports	19,236,686
Solid Waste Authority	<u>20,977,858</u>
Total depreciation expense - business-type activities	<u>\$ 77,320,519</u>

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**Discretely presented component unit**

A summary of changes in capital assets for the Westgate/Belvedere Homes Community Redevelopment Agency follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
Non-depreciable assets:				
Land	\$ 804,734	\$ 1,625,086	\$ -	\$ 2,429,820
Total non-depreciable assets	804,734	1,625,086	-	2,429,820
Depreciable assets:				
Equipment	15,903	400	-	16,303
Infrastructure	-	334,904	-	334,904
Total depreciable assets	15,903	335,304	-	351,207
Less accumulated depreciation for:				
Equipment	(9,346)	(9,924)	-	(19,270)
Total accumulated depreciation	(9,346)	(9,924)	-	(19,270)
Total capital assets, being depreciated, net	6,557	325,380	-	331,937
Total component unit capital assets, net	\$ 811,291	\$ 1,950,466	\$ -	\$ 2,761,757

**5. INTERFUND TRANSFERS IN AND OUT**

Interfund transfers in and out during fiscal year 2008 were as follows:

<b>Interfund Transfers In</b>	<b>Interfund Transfers Out</b>	<b>Amount</b>
<b>Governmental Funds:</b>		
<b>Major Governmental Funds</b>		
General Fund	Law Enforcement Grants Special Revenue Fund	\$ 455,323
	Other Special Revenue Funds	21,536,766
	Sheriff Special Revenue Fund	7,698,571
	Clerk & Comptroller Special Revenue Fund	503,678
	County Transportation Trust	98,000
	Community and Social Development	799,000
	Parks and Recreation Capital Projects	467,259
	Supervisor of Elections Special Revenue Fund	1,481,382
		<u>\$ 33,039,979</u>
Fire Rescue Special Revenue Fund	General Fund	\$ 150,000
	Community & Social Development Special Revenue Fund	156,814
	Other Special Revenue Funds	6,749,398
		<u>\$ 7,056,212</u>
Sheriff Special Revenue Fund	General Fund	\$ 418,484,524
	Law Enforcement Grants Special Revenue Fund	3,808,527
	Criminal Justice Capital Projects	11,177,779
	Other Special Revenue Funds	1,120,943
		<u>\$ 434,591,773</u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

General Government Capital Projects	General Fund	\$ 20,943,776
	Palm Tran Special Revenue Fund	345,970
	Other Special Revenue Funds	1,686,261
	Sheriff Special Revenue Fund	917,154
	Clerk & Comptroller Special Revenue Fund	143,263
	Road Program Capital Projects	350,000
	Fleet Management	354,252
	Criminal Justice Capital Projects	215,001
		<u>\$ 24,955,677</u>
Road Program Capital Projects	General Fund	\$ 750,000
	County Transportation Trust Special Revenue Fund	54,650
		<u>\$ 804,650</u>
<b>Nonmajor Governmental Funds</b>		
<b>Nonmajor Special Revenue Funds</b>		
Tourist Development Special Revenue Fund	General Government Capital Projects	\$ 993,850
		<u>\$ 993,850</u>
Law Enforcement Grants Special Revenue Fund	General Fund	\$ 377,433
	Other Special Revenue Funds	114,373
	General Government Capital Projects	49,999
		<u>\$ 541,805</u>
County Transportation Trust Special Revenue Fund	General Fund	\$ 11,883,288
	Other Special Revenue Funds	5,133,290
	Road Program Capital Projects	18,800,779
		<u>\$ 35,817,357</u>
Community & Social Development Special Revenue Fund	General Fund	\$ 15,711,294
	General Government Capital Projects	416,000
		<u>\$ 16,127,294</u>
Palm Tran Special Revenue Fund	General Fund	\$ 29,485,960
	General Government Capital Projects	23,100
	Road Program Capital Projects	7,539,200
		<u>\$ 37,048,260</u>
Other Special Revenue Funds	General Fund	\$ 2,580,598
	Law Enforcement Grants Special Revenue Fund	87,560
	General Government Capital Projects	594,941
	<u>\$ 3,263,099</u>	
Clerk & Comptroller Special Revenue Fund	General Fund	\$ 16,957,072
		<u>\$ 16,957,072</u>
Supervisor of Elections Special Revenue Fund	General Fund	\$ 11,228,444
		<u>\$ 11,228,444</u>

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**Nonmajor Debt Service Funds**

Revenue Bonds Debt Service Fund	Tourist Development Special Revenue Fund	\$ 7,406,071
	Other Special Revenue Funds	53,283,584
	Other Financing Debt Service Fund	124,454
	General Government Capital Projects	7,783,935
	General Fund	5,750,798
	Criminal Justice Capital Projects	11,302,709
		<u>\$ 85,651,551</u>

Other Financing Debt Service Fund	General Fund	\$ 429,262
	Tourist Development Special Revenue Fund	19,559
	Other Special Revenue Funds	8,695,010
	Revenue Bonds Debt Service Fund	37,115,925
	Environmental Lands Capital Projects	10,404
	General Government Capital Projects	5,243,229
		<u>\$ 51,513,389</u>

**Nonmajor Capital Projects Funds**

Environmental Lands Capital Projects	General Fund	\$ 1,000,000
	Tourist Development Special Revenue Fund	2,206,131
		<u>\$ 3,206,131</u>

Fire Rescue Capital Projects	Fire Rescue Special Revenue Fund	\$ 10,180,000
		<u>\$ 10,180,000</u>

Libraries Capital Projects	Library Taxing District Special Revenue Fund	\$ 13,613,282
		<u>\$ 13,613,282</u>

Parks & Recreation Capital Projects	General Fund	\$ 2,499,420
		<u>\$ 2,499,420</u>

Street Drainage Capital Projects	General Government Capital Projects	\$ 1,429,738
		<u>\$ 1,429,738</u>

<b>Total Nonmajor Governmental Funds</b>	<u>\$ 290,070,692</u>
--	-----------------------

<b>Total Interfund Transfers Primary Government</b>	<u>\$ 790,518,983</u>
---	-----------------------

Transfers are used to: (1) move revenues from within the fund which a statute or budget requires them to be collected to a fund from which a statute or budget requires them to be expended; (2) move receipts which are restricted to debt service from the funds where the receipts are collected into the debt service fund, as debt service payments become due; (3) provide matching funds for the County's portion of grant agreements; (4) use and transfer unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and; (5) provide funding for various capital projects by means of transfers.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

In addition, transfers totaling \$2,955,782 were made from the General Fund to multiple funds in order to fund the purchase of voting equipment capital outlays.

During the fiscal year ended September 30, 2008, the Department of Airports transferred capital assets with a book value of \$9,654,866 related to the King's Academy property to the County. This is booked as a "transfer out" in the Proprietary fund statements and a "transfer in" for the governmental activities column of the statement of activities. This amount does not represent a current financial resource and is therefore not recorded in the governmental fund financial statements as a transfer in.

## **6. RETIREMENT PLANS**

### **FLORIDA RETIREMENT SYSTEM**

*Plan Description* - The County participates in the Florida Retirement System (FRS), a non-contributory, cost-sharing, multi-employer, public employee retirement system administered by the Florida Department of Management Services, Division of Retirement. The FRS was created December 1, 1970. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefits are established by Florida Statutes, Chapter 121, and may only be amended by the Florida Legislature.

The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the Florida Division of Retirement, ATTN: Research, Education & Policy Section, P. O. Box 9000, Tallahassee, Florida 32315-9000, calling 1-850-488-5706, or accessing their website at: <http://dms.myflorida.com>.

Beginning July 1, 2002, the FRS became one plan with two primary options, a defined benefit option known as the FRS Pension Plan and an alternative defined contribution option known as the FRS Investment Plan. The two options are described in detail below.

The FRS Pension Plan provides for vesting of benefits after 6 years of creditable service. Benefits are based on age, average final compensation and years-of-service credit. Average final compensation is the average of the five highest fiscal years of earnings. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

accumulate and earn interest compounded monthly at an effective annual rate of 6.5%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment. At that time, members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

The FRS Investment Plan, formally created as the Public Employee Optional Retirement Program (PEORP), is a participant-directed 401(a) program selected by employees in lieu of participation in the defined benefit option of the Florida Retirement System. Benefits accrue in individual accounts that are participant-directed, portable, and funded by employer contributions. Participants and beneficiaries bear the investment risks that result when they exercise control over investments in their accounts. The Investment Plan offers a diversified mix of low-cost investment options that span the risk-return spectrum and give participants the opportunity to accumulate retirement benefits. Members are vested after completing one year of creditable service.

*Funding Policy* - The contribution requirements of the County are established and may be amended by the Florida Legislature. The County's contributions to FRS for the years ended September 30, 2008, 2007, and 2006 were \$94.4 million, \$87.9 million, and \$70.7 million, respectively, equal to the required contributions for each year.

The following membership classes and rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2008:

<u>Membership Class</u>	<u>Rates</u>
Regular	9.85%
Special Risk	20.92%
Judges	19.56%
Legislators	14.48%
Governor/Lieutenant Governor/Cabinet	14.48%
State Attorney/Public Defender	14.48%
County, City, Special District Elected Officers	16.53%
Special Risk Administrative Support	12.55%
IFAS Supplemental	18.75%
Senior Management	13.12%
Deferred Retirement Option Program	10.91%

**PALM TRAN, INC. – DEFINED BENEFIT PLAN**

*Plan Description* – The Palm Tran, Inc. – Amalgamated Transit Union Local 1577 (Palm Tran) pension plan (the Plan) is a mandatory contribution, single-employer, defined benefit retirement program administered by the Pension Resource Center. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Board of Trustees (the Board) of the Palm Tran pension plan has the authority to establish and amend benefit provisions. Palm Tran issues a stand-alone, publicly available financial report that includes financial statements and required supplementary

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

information. The report may be obtained by writing to the plan administrator at Pension Resource Center, 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, Florida 33410 or calling 1-561-624-3277 or accessing their website at: [www.resourcecenters.com](http://www.resourcecenters.com).

*Funding Policy* – The contribution requirements of plan members and Palm Tran, Inc. are established by the Pension Trust Agreement and may be amended by the Board. Plan members are required to contribute 2.5% of their annual covered payroll. Palm Tran, Inc. is required to contribute 13% of annual covered payroll.

*Annual Pension Cost and Net Pension Obligation* – Per the actuarial valuation, the annual pension cost and net pension obligation as of December 31, 2007 were as follows:

Annual required contribution (ARC)	\$	3,272,841
Interest on net pension obligation		-
Adjustment to ARC		-
Annual pension cost		3,272,841
Contributions made		(3,272,841)
Increase (decrease) in net pension obligation		-
Net pension obligation beginning of year		-
Net pension obligation end of year	\$	-

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	\$2,761,386	100%	\$ -
12/31/06	2,909,900	100	\$ -
12/31/07	3,272,841	100	\$ -

*Funded Status and Funding Progress* – As of January 1, 2008, the most recent actuarial valuation date, the plan was 82.6% funded. The actuarial accrued liability for benefits was \$57.0 million, and the actuarial value of assets was \$47.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$9.9 million. The covered payroll (annual payroll of active employees covered by the plan) was \$21.5 million, and the ratio of the UAAL to the covered payroll was 46.1%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Actuarial Methods and Assumptions* – In the January 1, 2008 actuarial valuation, the Entry Age Normal actuarial cost method was used. The actuarial assumptions included (a) 8.0% investment rate of return and (b) projected salary increases ranging from 5.0% to 12.5% per year. Both (a) and (b) included an inflation component of 4.0% with no cost-of-living adjustments. The projection of benefits for financial accounting purposes

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

does not explicitly incorporate the potential effects of the 13% limitation on Palm Tran’s contribution rate disclosed above under “Funding Policy”. The actuarial value of assets was determined using the 5-year Smoothed Market asset valuation method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at January 1, 2008 was 30 years.

**LANTANA FIREFIGHTER’S – DEFINED BENEFIT/CONTRIBUTION PLAN**

*Plan Description* – The Lantana Firefighter’s Pension Fund (LFPF) is a combined defined benefit and defined contribution pension plan covering Town of Lantana (Town) fire fighters employed by Palm Beach County (County). LFPF is governed by a Board of Trustees made up of representatives of the firefighters and the Town. It provides a defined benefit retirement annuity to retiring participants and also provides a defined contribution retirement benefit in the form of share accounts, payable upon retirement, death or disability. LFPF issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. The County does not perform the investment function or have significant administrative involvement in the plan. The report may be obtained by writing to the plan administrator, Pension Resource Center, at 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, Florida 33410 or calling 1-561-624-3277 or accessing their website at: [www.resourcecenters.com](http://www.resourcecenters.com).

*Funding Policy* – (a) Plan members are required to contribute 10% of their salary to the Plan. Of this, 2% is allocated to the defined benefit portion of the Plan and 8% is allocated to the defined contribution portion. (b) Pursuant to Chapter 175, Florida Statutes, the Town imposes a 1.85% tax on fire insurance premiums paid to insure real or personal property within its corporate limits. 100% of the net proceeds of this 1.85% excise tax are allocated to the defined benefit portion of the Plan. (c) Because the County is ultimately responsible for the actuarial soundness of the Plan, the County must contribute an amount determined by the Trustees, in conjunction with the Plan’s actuary, to be sufficient, along with the employees’ contributions and the proceeds from the insurance tax, described above, to fund the defined benefits under the Plan. The current rate is 47.51% of annual covered payroll.

*Annual Pension Cost and Net Pension Obligation* – Per the actuarial valuation, the annual pension cost and net pension obligation as of September 30, 2007 were as follows:

Annual required contribution (ARC)	\$	1,497,710
Interest on net pension obligation		-
Adjustment to ARC		-
Annual pension cost		1,497,710
Contributions made		(1,497,710)
Increase (decrease) in net pension obligation		-
Net pension obligation beginning of year		-
Net pension obligation end of year	\$	-

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/05	\$708,667	100%	\$ -
09/30/06	833,858	100	\$ -
09/30/07	1,497,710	100	\$ -

*Funded Status and Funding Progress* – As of September 30, 2007, the most recent actuarial valuation date, the plan was 69.8% funded. The actuarial accrued liability for benefits was \$18.7 million, and the actuarial value of assets was \$13.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2.7 million, and the ratio of the UAAL to the covered payroll was 207.7%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Actuarial Methods and Assumptions* – In the September 30, 2007 actuarial valuation, the Individual Entry Age actuarial cost method was used. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 7.0% per year compounded annually, and (c) the assumption that benefits will not increase after retirement. Both (a) and (b) included an inflation component of 5.0%. The actuarial value of assets was determined using the 5-year Smoothed Market asset valuation method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at September 30, 2007 ranges from 1-17 years.

Note: The Actuarial Valuation report for September 30, 2008 was not available.

**COMPONENT UNIT**

Like the Primary Government, Westgate/Belvedere Homes Community Redevelopment Agency (CRA) also participates in the Florida Retirement System (FRS), a non-contributory, cost-sharing, multi-employer, public employee retirement system administered by the Florida Department of Management Services, Division of Retirement.

The contribution requirements of CRA are established and may be amended by the Florida Legislature. The CRA's contributions to FRS for the years ended September 30, 2008, 2007, and 2006 were \$23,144, \$16,993, and \$13,349, respectively, equal to the required contributions for each year.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**7. COMMITMENTS**

**County Home**

The County entered into an inter-local agreement with the Palm Beach County Health Care District (the District) effective July 11, 1995 regarding the Medicaid Match and the County Home and General Care Facility (County Home). This agreement provides that the County will make an annual payment of the fixed amount of \$15 million to the District in exchange for the District's agreement to operate and manage the County Home and to pay 100% of the Medicaid Match funding as required by the State for hospital and nursing home care. The County's annual funding of \$15 million is payable in equal monthly installments for the next 40 years.

**Outstanding Purchase Orders and Contracts**

Purchase orders and contracts (including construction contracts) had been executed, but goods and services were not received in approximately the amounts shown below as of September 30, 2008:

<u>Fund</u>	<u>Amount</u>
Capital Projects Funds	\$ 250,010,021
Solid Waste Authority	63,056,353
Special Revenue Funds	28,275,078
Department of Airports	9,433,454
Department of Water Utilities	9,211,000
Internal Service Funds	2,464,968
General Fund	1,373,251
Tax Collector	72,553
Property Appraiser	556
Total	<u>\$ 363,897,234</u>

Because the budget authority for these amounts lapses at fiscal year-end, they are not shown as either encumbrances or liabilities. Funds are appropriated at the beginning of each fiscal year to provide for these commitments.

On May 26, 2006, the County entered into an economic development grant agreement with The Scripps Research Institute, a nonprofit public benefit corporation, to induce Scripps to establish and operate a biomedical research facility at Florida Atlantic University in Jupiter, Florida and to encourage and stimulate economic growth by attracting new businesses and the creation of a biotech industry in the County. The County is providing funding of approximately \$235 million for Scripps to construct and own 346,000 square feet of laboratory and office space at the FAU campus and 70 acres known as the Briger Tract for 1,600,000 square feet of related research and development uses. This Briger land will be turned over to Scripps at the end of the agreement provided they meet certain minimum new job creation requirements. Two temporary facilities were also funded by the County on the

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

FAU campus. Scripps and FAU entered into a 99 year lease for the permanent facilities site on the FAU campus. Scripps has committed to strive to create or relocate 2,777 new jobs at the Scripps site. Scripps and the County agree to work cooperatively to create or relocate to the County an aggregate total of 6,500 new jobs. The agreement between the County and Scripps ends on February 6, 2021. The County has paid \$181.5 million towards this commitment as of September 30, 2008.

On July 22, 2008, the County entered into an economic development grant agreement with Max Planck Florida Corporation (MPFC) providing funding for approximately \$86.9 million for the construction and operation of an approximate 100,000 square foot Biomedical Research Facility in the County. Under the terms of the agreement, a maximum of \$60 million will be spent towards the construction costs for the Permanent Facility and \$26.9 million towards the reimbursement of operational costs. The term of the agreement is 15 years. Negotiations are currently underway between the County, MPFC and Florida Atlantic University to obtain 6 acres on the Jupiter Campus of FAU. The execution of the FAU sublease is a condition to the disbursement of the grant funds.

On May 20, 2008, the County, on behalf of the Water Utilities Department (the Department), entered into an agreement with FP&L which provides for reclaimed water to become the primary source of cooling water supply to FP&L's West County Energy Center (the Center) beginning in FY2011. In addition, FP&L is to construct a 27 million gallon per day reclaimed water facility at the East Central Regional Wastewater Reclamation Facility. FP&L will reimburse the Department for all design-related services. Construction will be financed by revenue bonds of the Department to be issued prior to the commencement of construction, with FP&L reimbursing the Department for all debt service costs related to this debt issue. The agreement with FP&L has a term of thirty years beginning in FY 2011 with three additional ten year options. The current project estimate includes \$5 million for design costs and \$70 million for the construction of the facility, pipeline, and related infrastructure. As of September 30, 2008, \$1,297,000 in design related fees have been incurred and billed to FP&L by the Department.

### **Land Acquisition**

**Palm Beach County School Board** – On September 21, 1993, an agreement (R93-1188D) was entered into by the Palm Beach County School Board (School Board) and Palm Beach County for co-location of facilities and exchange of properties. This Agreement establishes a process to facilitate joint planning for co-located facilities and also establishes a mechanism by which properties owned by either party can be exchanged with the other party which has a need therefore. The Agreement also establishes a credit system whereby properties can be transferred and payments deferred for up to two years while offsetting exchanges are completed. As of September 30, 2008, Palm Beach County owes the School Board \$113,870 under the Funding Agreement.

### **Land Commitments**

During 1996, SWA purchased approximately 1,600 acres of farmland in western Palm Beach County as a replacement waste disposal site. SWA has an operating lease expiring in 2010

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

with the former owner to maintain and continue farming the property. The lease provides for annual rental payments to SWA adjusted each year based on the change in the producer price index for raw cane sugar, provided that the total annual rent shall not exceed \$450,000. Rental income from this lease for the years ended September 30, 2008 and 2007 was approximately \$300,000 each year. The carrying value of the land subject to the lease was approximately \$8 million at September 30, 2008 and 2007. The lease also provides the option to extend the term for five additional periods of four years (through 2030), each under the same terms and conditions. SWA retains the right to terminate the lease, in part, for areas designated for development by SWA after the initial lease term. Management expects the operating lease to be renewed until the property is utilized for its intended purpose as a replacement waste disposal site.

SWA leases the current site of the Delray Beach transfer station from the City of Delray Beach under a 20 year operating lease expiring September 30, 2020 with an option to renew for an additional 20 years under the existing terms. The lease provides for annual rental payments increased by the annual change in the consumer price index. Rent expense for the years ended September 30, 2008 and 2007 was approximately \$120,000 and \$110,000, respectively. The minimum future rental payments, based on an annual increase of 3 percent, under this operating lease at September 30, 2008 are estimated to be \$1,779,826.

**Tri-County Commuter Rail Authority**

In October 1994, Palm Beach County entered into a five-year joint inter-local agreement (the Agreement) with Miami-Dade County, Broward County, the Florida Department of Transportation and the Tri-County Commuter Rail Authority (the Authority) which calls for each of the respective counties to fund one-third of the net operating deficit of the Authority after considering all Federal subsidy, State subsidy and farebox revenue. The County's 2008 subsidy amounted to \$7,036,950. The Authority was created as an agency of the State of Florida pursuant to Chapter 343, Florida Statutes in 1988 to provide commuter rail services in Broward, Dade and Palm Beach counties. Tri-Rail serves both residents and tourists with a scheduled passenger rail commuter system which currently operates on seventy-one miles of rail corridor along the east coast of Florida.

The governing Board of Directors consists of nine members; one representative from each county's Board of County Commissioners (3), one citizen from each county (3), one representative from the Florida Department of Transportation (1), one member appointed by the Governor of Florida (1), and one member at large who is appointed by the other eight members (1). Tri-Rail's annual operating budget is adopted and approved by the Authority's Board of Directors.

Separate financial statements for the Authority may be obtained at the following address:

Tri-County Commuter Rail Authority  
305 South Andrews Avenue, Suite 200  
Fort Lauderdale, FL 33301

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**8. RISK MANAGEMENT**

The County maintains various self-insurance programs which are accounted for as internal service funds. Following is a brief description of each of the County's insurance programs. The claims liability reported in each of the funds at September 30, 2008, is actuarially determined based on the requirements of GASB 10, which specifies that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**Property and Liability**

The County is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; and natural disasters. A portfolio of commercial insurance policies provides specific excess coverage for property losses in excess of \$1,000,000 and third-party liability losses in excess of \$500,000. In addition, excess liability exposures are also limited to \$100,000 per person and \$200,000 per occurrence under Florida's sovereign immunity statute 768.28. Negligence claims in excess of the statutory limits can only be recovered through an act of the State of Florida Legislature. The County purchases excess claim bill liability coverage of \$6 million per claim in order to protect against excess liability exposures. This coverage provides additional liability coverage against federal claim awards. Separate excess auto liability insurance coverage of \$2,000,000 per claim is in place for the operation of Palm Tran's fleet of public transit buses.

With the exception of the Sheriff, Clerk & Comptroller, and Property Appraiser, all funds of the County participate in the program and make payments to the Property and Liability Insurance Fund, included in the Combined Insurance Fund, based on estimates of the amounts needed to pay prior and current year claims. The claims liability reported in this fund at September 30, 2008 is \$8,408,000. The County changed its methodology for recording its claims liabilities from the undiscounted method to a 4% discounted method, resulting in a cumulative decrease included in the beginning of fiscal year liability for 2008 of \$516,000.

During claim years 2008 and 2007, changes recorded to the claims liability for property and liability insurance were as follows:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
2007	\$ 8,546,000	\$ 1,363,000	\$ (973,000)	\$ 8,936,000
2008	8,420,000	844,000	(856,000)	8,408,000

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**Workers' Compensation Insurance**

The County has self-funded its workers' compensation exposure since 1969. This fund covers all employees of the Board of County Commissioners, the Supervisor of Elections, the Clerk & Comptroller, the Property Appraiser, and the Tax Collector. Although the Sheriff's payroll and losses are reported to the State by the risk management department, the Sheriff administers his own program. The County is 100% self-insured for workers' compensation exposures beginning October 1, 1993.

With the exception of the Sheriff, all funds of the County participate in the program and make payments to the Workers' Compensation Insurance Fund, included in the Combined Insurance Fund, based on estimates of the amounts needed to pay prior and current year claims. The claims liability reported in this fund at September 30, 2008 is \$39,656,000. The County changed its methodology for recording its claims liabilities from the undiscounted method to a 4% discounted method, resulting in a cumulative decrease included in the beginning of fiscal year liability for 2008 of \$6.5 million.

During claim years 2008 and 2007, changes recorded to the claims liability for workers' compensation insurance were as follows:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
2007	\$ 37,887,000	\$ 12,032,000	\$ (6,725,000)	\$ 43,194,000
2008	36,694,000	8,520,000	(5,558,000)	39,656,000

**Employee Group Health Insurance**

The County provides health insurance for its employees, retirees, and eligible dependents. Effective January 1, 2004, the County changed from a fully insured plan to a self-insured plan. The County has in place a \$500,000 specific excess insurance policy to protect the County against catastrophic health claims.

With the exception of the Constitutional Officers who have separately contracted for health insurance coverage, all funds of the County, as well as the Solid Waste Authority, participate in the program and make payments to the Employee Health Insurance fund, included in the Combined Insurance Fund, based on estimates of amounts needed to pay prior and current year claims. The claims liability reported in the fund at September 30, 2008 is \$4,139,856. During claim years 2008 and 2007, changes recorded to the claims liability for employee health insurance were as follows:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
2007	\$ 3,408,435	\$ 47,335,906	\$ (46,430,376)	\$ 4,313,965
2008	4,313,965	52,304,812	(52,478,921)	4,139,856

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**SOLID WASTE AUTHORITY (SWA)**

The SWA is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The SWA purchases commercial insurance for property damage with coverage up to a maximum of approximately \$312 million, subject to various policy sub-limits, generally ranging from \$1 million to \$45 million and deductibles ranging from \$10,000 to \$500,000 per occurrence. The SWA also purchases commercial insurance for general liability claims with coverage up to \$1 million per occurrence and \$2 million general aggregate, with excess liability coverage of \$25 million, all subject to various deductibles up to \$10,000 per occurrence. General liability claims are limited by the Florida constitutional doctrine of sovereign immunity to \$100,000 per claim and \$200,000 per occurrence unless a higher claim is approved by the Florida Legislature.

The SWA purchases commercial insurance for workers' compensation benefits with a \$1,000,000 per occurrence and per employee policy limit, subject to a deductible of \$250,000 per occurrence and per claim, up to a maximum of approximately \$1.5 million for 2008. Settled claims have not exceeded commercial coverage in any of the last three years. Changes in the claims liability amount for workers' compensation benefits for the years ended September 30, 2008 and 2007 were as follows:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
2007	\$ 448,000	346,504	(346,504)	\$ 448,000
2008	448,000	317,973	(317,973)	448,000

Effective January 1, 2003, the SWA contracted with Palm Beach County to provide employee health benefits through the County's self-insurance program for employee benefits. The County plan provides health insurance benefits to County employees and employees of component units of the County electing to participate in the plan. The County plan covers approximately 5,000 participants and is designed to be self-sustaining through actuarially determined premiums established annually to cover expected claims, administration and a margin for unexpected losses or expenses. The County purchases commercial insurance for claims in excess of the annual stop loss deductible of \$500,000 per person. The SWA pays a monthly premium based on the number of SWA employees participating in the plan and does not retain risk of loss for employee health claims, but is obligated to pay the premiums established by the County to fund the plan. For the year ended September 30, 2008 and 2007, the SWA paid premiums of \$4,458,792 and \$4,116,798 respectively, to the County for approximately 400 participating employees. The 2008 premiums are net of expected refunds receivable of \$690,000 at September 30, 2008. The SWA does not expect any additional premium assessments for 2008 or prior years. In October 2008 SWA terminated coverage under the County plan effective December 31, 2008 and will purchase health insurance through a commercial health insurance plan.

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**SHERIFF**

The Sheriff's Office maintains a general liability self-insurance program, a workers' compensation self-insurance program and a commercially insured employee health insurance program which are accounted for in the Sheriff's General fund (which is reported as a special revenue fund in the County's CAFR). The following is a brief description of each of the Sheriff's insurance programs.

**General Liability Insurance**

The Sheriff's office is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; and natural disasters. The claims liability reported for general liability at September 30, 2008 is \$12,907,299. This amount is based on the requirements of GASB 10 which specifies that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

During claim years 2008 and 2007, changes recorded to the claims liability for general liability were as follows:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
2007	\$ 11,492,510	\$ 6,494,703	\$ (3,918,117)	\$ 14,069,096
2008	14,069,096	2,935,585	(4,097,382)	12,907,299

**Workers' Compensation Insurance**

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2008 is \$19,505,079. This amount is the actuarially determined claims liability based on the requirements of GASB 10 which specifies that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

During claim years 2008 and 2007, changes recorded to the claims liability for workers' compensation were as follows:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
2007	\$ 22,953,059	\$ 2,942,863	\$ (6,327,083)	\$ 19,568,839
2008	19,568,839	6,505,282	(6,569,042)	19,505,079

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**Employee Group Health Insurance**

The Sheriff's office maintains a fully insured program for its employee group health insurance program.

**CLERK & COMPTROLLER**

**Employee Group Health Insurance**

The Clerk's office provides health insurance for its employees and eligible dependents. The Clerk's office is self-insured for its health insurance coverage and beginning with fiscal year 2004 is accounted for as an internal service fund.

During claim years 2008 and 2007, changes recorded to the claims liability for health insurance were as follows:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
2007	\$ 670,000	\$ 6,543,038	\$ (6,681,038)	\$ 532,000
2008	532,000	8,401,247	(8,181,247)	752,000

**TAX COLLECTOR**

**Employee Group Health and Dental Insurance**

The Tax Collector's office provides health and dental insurance to its employees and eligible dependents. The Tax Collector is fully insured for its health and dental coverage.

**9. CHANGE IN ACCOUNTING PRINCIPLE**

In fiscal year 2008, the County changed its method of accounting for recognizing liabilities and expenses for its property, liability and workers compensation self-insurance programs. In previous years, the County used the undiscounted expected obligation based on actuarial results. The County changed its method and now uses the discounted expected obligation in recording its liabilities and expense. The prior period effect of this change in accounting principle is \$7,054,000. The effect of the change on current year was a decrease in expense of approximately \$270,000. The effect of the change on prior year expenses would have been a decrease of expense of approximately \$725,000.

	<u>Internal Service (Page 161)</u>	<u>Governmental Activities (Page 5)</u>
Net assets, as originally reported, October 1, 2007	\$28,405,180	\$2,374,950,745
Restatement / change in accounting principle	<u>7,054,000</u>	<u>7,054,000</u>
Net assets, restated, October 1, 2007	<u>\$35,459,180</u>	<u>\$2,382,004,745</u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

Considering the long-term nature of these obligations, the County believes that due to the nature of the operations it is a better matching of revenue and expenses to discount the obligation over the projected payout period of the claims. The premiums the County remits to the combined insurance fund and the resulting cash reserves generate an investment return in excess of the 4% discount used in arriving at the discounted rate. This better matches the revenue and expenses in the fund over the life of the case settlements.

**10. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**Overview**

Entities of the Primary Government provide the following post-employment benefits to retirees:

**(a) Healthcare Plans:**

1. County (includes Supervisor of Elections and Solid Waste Authority)
2. Tax Collector
3. Property Appraiser
4. Clerk & Comptroller
5. Sheriff
6. Fire Rescue Union

**(b) Long Term Disability Plan**

7. Fire Rescue Taxing District

**Healthcare Benefits Provided to Retirees**

*Postretirement Benefits:* The amount reported as the postretirement benefit obligation represents the actuarial present value of those estimated future benefits that are attributed by the terms of the plan to employees' service rendered to the date of the financial statements, reduced by the actuarial present value of contributions expected to be received in the future from current plan participants. Postretirement benefits include future benefits expected to be paid to or for both of the following:

- 1) Currently retired or terminated employees and their beneficiaries and dependents
- 2) Active employees and their beneficiaries and dependents after retirement from service with participating employers.

The postretirement benefit obligation represents the amount that is to be funded by contributions from the plan's participating employers and from existing plan assets. Before an active employee's full eligibility date, the postretirement benefit obligation is the portion of the expected postretirement benefit obligation that is attributed to that employee's service in the industry rendered to the valuation date.

The actuarial present value of the expected postretirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to historical claims-cost data to estimate future annual incurred claims costs

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Plan Description: The defined benefit post-employment healthcare plans provide medical benefits to eligible retired employees and their dependents. The plans are single employer plans which are administered by the employer for their employees. The Supervisor of Elections and Solid Waste Authority participate in the County plan.

The Fire Rescue retiree health plan is a defined benefit plan with attributes similar to a defined contribution plan. The County is required, per the Collective Bargaining Agreement, to make contributions equal to 3% of the total current base annual pay plus benefits for the Fire Rescue employees. Since the primary government is not entitled to nor does it have the ability to otherwise access the economic resources received or held by the Fire Rescue retiree health plan; and since Palm Beach County has no reversionary interest in the economic resources received or held by the Fire Rescue retiree health plan, it is not reported as a fiduciary fund of the County.

Funding Policy: The contribution requirements of plan members and the employer are established and may be amended by the employer or by the union for Fire Rescue. All entities of the Primary Government are required by Florida Statute 112.0801 to allow their retirees (and eligible participants) to continue participation in the group insurance plan. Retirees must be offered the same coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees which results in an implicit subsidy as defined by GASB 45. In addition to the 'implicit' benefit, two of the plans offer an explicit benefit. The Sheriff and Fire Rescue Plans provide a subsidy that retirees can use to partially or fully offset the cost of health insurance.

At September 30, 2008 retirees receiving benefits contributed the following monthly premiums:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
<b>Medical Coverage</b>						
Monthly Minimum	\$ 514	\$ 519	\$ 467	\$ 477	\$ 354	\$ 59
Monthly Maximum	3,908	1,901	2,219	1,764	1,978	149
<b>Dental Coverage</b>						
Monthly Minimum	na	na	23	18	22	4
Monthly Maximum	na	na	150	134	85	40
na= not applicable						

OPEB Cost and Net OPEB Obligation: The annual other post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

components of the annual OPEB cost for the year, the amount contributed to the plan, and changes in the net OPEB obligation as of fiscal year ended September 30, 2008:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Annual required contribution (ARC)	\$ 1,285,000	\$ 169,979	\$ 29,562	\$ 520,000	\$ 15,300,000	\$ 1,262,872
Interest on net OPEB obligation	-	-	-	-	-	-
Adjustment to annually required contribution	-	-	-	-	-	-
Annual OPEB cost	1,285,000	169,979	29,562	520,000	15,300,000	1,262,872
Contributions made	(968,142)	-	-	(442,045)	(4,300,000)	(3,914,531)
Increase in net OPEB obligation	316,858	169,979	29,562	77,955	11,000,000	(2,651,659)
Net OPEB obligation-beginning of year	-	-	-	-	-	-
Net OPEB obligation-end of year	\$ 316,858	\$ 169,979	\$ 29,562	\$ 77,955	\$ 11,000,000	\$ (2,651,659)

In accordance with GASB 45, the County is recognizing a net OPEB asset in the governmental activities for the Fire Rescue retiree health plan. However, as noted previously in the plan description, the County cannot adjust its actual annual contribution amount due to this over funding. Any changes to the contribution rate would have to be made through union contract negotiations.

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current fiscal year.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Liability (Asset)
County 9/30/2008	\$1,285,000	75.3%	\$ 316,858
Tax Collector 9/30/2008	\$169,979	0.0%	\$169,979
Property Appraiser 9/30/2008	\$29,562	0.0%	\$29,562
Clerk & Comptroller 9/30/2008	\$520,000	85.0%	77,955
Sheriff 9/30/2008	\$15,300,000	28.1%	\$11,000,000
Fire Rescue Union 9/30/2008	\$1,262,872	310.0%	(\$2,651,659)

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

Funded Status and Funding Progress: The plans are financed on a ‘pay-as-you-go’ basis. The funded status of the plans as of September 30, 2008 was as follows:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Actuarial accrued liability (AAL)	\$ 14,638,000	\$ 1,533,513	\$ 312,788	\$ 5,445,000	\$ 169,700,000	\$ 16,319,357
Actuarial value of plan asset	-	-	-	-	-	7,109,107
Unfunded actuarial accrued liability (UAAL)	\$ 14,638,000	\$ 1,533,513	\$ 312,788	\$ 5,445,000	\$ 169,700,000	\$ 9,210,250
Funded ratio (actuarial value of plan / AAL)	0.0%	0.0%	0.0%	0.0%	0.0%	43.6%
Covered payroll (active plan members)	\$ 294,272,546	\$ 9,879,680	\$ 14,237,382	\$ 35,775,864	\$ 222,956,243	\$ 102,075,035
UAAL as a percentage of covered payroll	5.0%	15.5%	2.2%	15.2%	76.1%	9.0%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Actuarial valuation date	10/1/2007	10/1/2007	10/1/2007	10/1/2007	1/1/2008	10/1/2005
Actuarial cost method	Unit credit actuarial cost method	Entry age normal actuarial cost method	Entry age normal actuarial cost method	Unit credit actuarial cost method	Unit credit actuarial cost method	Aggregate actuarial cost method
Actuarial amortization method	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year	Level percentage of salary at beginning of fiscal year	na
Remaining amortization period	30 years	na				
Asset valuation method	na	na	na	na	na	Market value
Actuarial assumptions						
Investment rate of return	5.0%	5.0%	5.0%	5.0%	5.0%	8.0%
Projected salary increases	4.0%	4.0%	4.0%	4.0%	4.0%	4.5 to 10.5%
Healthcare inflation rate- initial	11.0%	9.0%	9.0%	11.0%	11.0%	na
Healthcare trend rate-ultimate	6.0%	5.0%	5.0%	6.0%	5.0%	3.5%

**Long Term Disability Benefits Provided to Retirees**

*Plan Description:* The Palm Beach County Fire Rescue Supplemental Disability Plan is a defined benefit post employment plan that provides disability benefits to eligible disabled Fire Fighters / District Chief permanently prevented from rendering useful and efficient service as a Fire Fighter / District Chief incurred in the line of duty. The plan is a single employer plan which is administered by the Palm Beach County Fire Rescue Department.

*Funding Policy:* The contribution requirements of plan members and Palm Beach County are established and may be amended by collective bargaining between Palm Beach County and the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, IAFF, Inc. The plan is funded by the County based on an annually required contribution calculated by an actuary. The earmarked funding, related earnings, expenditures and administrative costs are recorded in a special revenue fund.

*OPEB Cost and Net OPEB Obligation:* The annual other post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the amount contributed to the plan, and changes in the net OPEB obligation:

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

Annual required contribution	\$ 708,774
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	708,774
Contributions made	(929,098)
Incr in net OPEB obligation	(220,324)
Net OPEB obligation - beginning of year	0
Net OPEB obligation - end of year	\$ (220,324)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year ended September 30, 2008 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
9/30/2008	\$708,774	131.1%	(\$220,324)

Funded Status and Funding Progress: The plan is financed on a 'pay-as-you-go' basis. The funded status of the plan as of September 30, 2008, was as follows:

Actuarial accrued liability (AAL)	\$8,953,897
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$8,953,897</u>
Funded ratio (actuarial value of plan / AAL)	0.0%
Covered payroll (active plan members)	\$116,586,776
UAAL as a percentage of covered payroll	7.7%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, disability occurrences, and workmen's compensation payments. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	10/1/2007
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level method, closed
Remaining amortization period	30 years
Asset valuation method	na
Actuarial assumptions:	
Investment rate of return	5%
Projected salary increases	4 to 10.5%
Cost of living adjustments	None

GASB 45 allows for implementation during the transition year to set the net OPEB obligation to zero as of the beginning of the year and apply the measurement and recognition requirements on a prospective basis. At the beginning of this fiscal year, the accrued actuarial liability of the Fire Rescue Long Term Disability Plan in the amount of \$8,157,329 had been reported as a long term liability in governmental activities. GASB 45 replaces the reporting of this liability with the reporting of net OPEB obligation resulting in a decrease in direct program expenses of \$8,157,329 for public safety in the transition year.

**11. LEASES**

**Leases Receivable: Enterprise Funds**

The County's Department of Airports leases a major portion of its property to other entities. Certain leases provide for minimum rentals plus a specified percentage of the tenants' gross revenues. Contingent rental income under such arrangements amounted to approximately \$5,231,800 in fiscal year 2008. All leases have been classified as operating leases.

Minimum future rentals under these operating leases are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Department of</u> <u>Airports</u>
2009	\$ 34,342,419
2010	24,757,583
2011	24,686,468
2012	8,634,638
2013	8,281,555
Thereafter	65,178,551
Total	<u>\$ 165,881,214</u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

A schedule of property held for lease by major classification is as follows:

	September 30, 2008
Buildings	\$ 195,283,279
Less: accumulated depreciation	(104,756,544)
Net Buildings	90,526,735
Land	5,547,813
Total property held for lease	\$ 96,074,548

**Lease Obligations**

The County has entered into various leases which are classified as operating or capital leases for accounting purposes. Total rent expense for operating leases for the fiscal year ended September 30, 2008 amounted to approximately \$4,610,669 comprised of \$4,225,248 for Governmental funds, \$185,335 for Enterprise Funds, and \$200,086 for Internal Service Funds.

**Operating Leases**

Future minimum rental payments under non-cancellable operating leases as of September 30, 2008 are as follows:

Fiscal Year	Governmental Funds	Enterprise Funds	Internal Service Funds
2009	\$ 3,915,586	\$ 138,155	\$ 166,981
2010	2,306,522	88,363	76,443
2011	1,486,152	24,948	38,211
2012	310,776	9,208	-
2013	275,835	5,371	-
Thereafter	1,048,242	-	-
Total	\$ 9,343,113	\$ 266,045	\$ 281,635

**Capital Leases**

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. There were no Capital leases in the proprietary fund types. Future minimum lease payments under capital leases as of September 30, 2008 are as follows:

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

<u>Fiscal Year</u>	<u>Governmental Funds</u>
2009	\$ 4,584
2010	3,438
Total minimum lease payments	8,022
Less: imputed interest	(570)
Present value of minimum lease payments	<u>\$ 7,452</u>

The following schedule shows the leased assets capitalized as of September 30, 2008, by major asset class:

	<u>Governmental Funds Capital Assets</u>
Equipment	\$ 18,958
Less: accumulated depreciation for entity wide	(13,528)
Carrying value	<u>\$ 5,430</u>

**12. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

The SWA operated one active landfill site for the year ended September 30, 2008. In addition, the SWA is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991.

State and Federal laws and regulations require the SWA to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at that and other landfill sites closed after 1991, for thirty years after closure. Although the majority of closure and postclosure care costs will be paid only near or after the date that the operating landfill stops accepting waste, the SWA reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date.

Landfill closure and postclosure care liabilities at September 30, 2008 are as follows:

Accrued closure and postclosure care costs	\$ 32,922,413
Accrued postclosure care for closed landfills	6,046,097
Closure costs incurred	(13,721,825)
Total Accrued Landfill Closure Costs	<u>\$ 25,246,685</u>

The \$32,922,413 of accrued closure and postclosure care liabilities at September 30, 2008 represents the cumulative cost based on the use of 33.9 percent of the estimated

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately \$64.1 million for the operating landfill as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. Based on current demographic information and engineering estimates of landfill consumption, the SWA expects to close the landfill in approximately 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The SWA is required by state laws and regulations to make annual contributions to an escrow account to finance all closure costs and one year of postclosure care for landfills closed after 1991. The SWA is in compliance with these requirements, and, at September 30, 2008 assets of \$28,861,040 were held for these purposes. These amounts are reported as noncurrent restricted assets on the statement of net assets. The SWA expects that future inflation costs will be paid from interest earnings on these invested amounts and subsequent annual contributions. However, if interest earnings are inadequate or additional closure or postclosure care requirements are determined (due to changes in technology or applicable laws or regulations) these costs may need to be covered by charges to future users of the solid waste system or from future non-ad valorem assessments.

At September 30, 2008, the statutorily required escrow account balances were as follows:

Site	September 30, 2008
Site 7 closure costs	\$ 25,342,527
Dyer landfill long-term care	332,543
Belle Glade landfill long-term care	20,111
	<u>\$ 25,695,181</u>

State laws and regulations specify that required landfill escrow account balances must be calculated using either the “Pay-in” or the “Balance” method, as they are statutorily defined. During 2006 the SWA changed from the Pay-in method to the Balance method. The SWA will be required to continue using the Balance method through the remaining design life of the Site 7 landfill. Although the SWA is not legally required by state or federal laws and regulations to provide funding for the landfill sites closed prior to 1991, the SWA has accepted financial responsibility for these sites. The annual long-term care funding requirements for these sites were not estimated or accrued at September 30, 2008, however, management does not believe that the annual costs are material to the SWA and these costs will be adequately funded through future, annual operating budgets.

**13. REFUNDING OF DEBT**

**Advance Refunding:**

Certain bond issues have been refunded through in-substance defeasance by placing into irrevocable trust funds sufficient monies to meet future principal and interest payments. These funds have been invested in U.S. Government securities and securities backed by the U.S. Government.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

There were no new advance refundings during the current fiscal year. The amount of in-substance defeased bonds outstanding, as of September 30, 2008, consists of the following:

<u>Bond Issues</u>	<u>Amount</u>
<b>Governmental Funds:</b>	
General Obligation Bonds (Recreational & Cultural Fac), 1999A	\$ 15,520,000
General Obligation Bonds (Land Acquisition), 1999B	49,030,000
General Obligation Bonds (Land Acquisition), 2001A	54,630,000
Public Improvement Revenue Bonds (Convention Center Project), 2001	71,765,000
	<u>190,945,000</u>
<b>Proprietary Funds:</b>	
Pollution Control Loan Agreement, 1976	2,275,000
Water & Sewer Refunding Revenue Bonds, 1986	10,685,000
Solid Waste Authority Refunding Revenue Bonds, 1997A	10,695,000
Water & Wastewater Revenue Bonds, 1998	12,115,000
Airport Refunding Revenue Bonds, 2001	9,340,000
Airport Refunding Revenue Bonds, 2002	14,740,000
	<u>59,850,000</u>
 Total Defeased Bonds Outstanding	 <u><u>\$ 250,795,000</u></u>

Current year refunding Governmental Funds:

On November 14, 2007, Palm Beach County issued \$2,582,648 Public Improvement Revenue Refunding Bonds (Biomedical Research Park Project), Series 2007A with an effective variable interest rate, at the time of the refunding, of 4.10% and \$5,180,949 Taxable Public Improvement Revenue Refunding Bonds (Biomedical Research Park Project), Series 2007B with an effective variable interest rate, at the time of the refunding, of 5.69% to refund the County's \$6,976,660 Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006A and \$479,766 Taxable Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006B. The net proceeds of \$7,731,743 (after allowing for \$31,854 in issuance costs) were used to pay the principal and interest on the notes.

The reacquisition price was equal to the net carrying amount of the old debt resulting in neither an accounting gain nor loss. The County increased its aggregate debt service payments by approximately \$4,740,020 over a period of twenty years. The present value of the new debt service exceeds the present value of the refunded debt resulting in an economic loss of \$6,198. The interest rate in effect at the time of the refunding was used to compute the aggregate debt service payments and related economic gain for the refunded variable rate debt. The refunding replaced notes payable at maturity which had been issued for interim financing

On December 19, 2007 Palm Beach County issued \$98,080,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2007C with an effective interest rate of 4.50% and received an issue premium of \$4,734,897 for a construction project and to refund the County's \$16,322,600 Public Improvement Revenue Bond Anticipation Note (Biomedical Research Park Project), Series 2006. The net proceeds of \$17,069,579 (after

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

allowing for \$1,420,680 in issuance costs and \$84,324,638 to the construction project) were used to pay the principal and interest on the note.

The reacquisition price was equal to the net carrying amount of the old debt resulting in neither an accounting gain nor loss. The County increased its aggregate debt service payments by approximately \$8,976,414 over a period of twenty years. The present value of the new debt service is equal to the present value of the refunded debt resulting in neither an economic gain nor loss which occurs when the refunded debt maturity nearly coincides with the refunding date. The interest rate in effect at the time of the refunding was used to compute the aggregate debt service payments and related economic gain for the refunded variable rate debt. The refunding replaced notes payable at maturity which had been issued for interim financing

On April 23, 2008, Palm Beach County issued \$29,476,000 Public Improvement Revenue Refunding Bonds (Sunshine State Government Financing Commission Project), Series 2008 with an effective interest rate of 3.60% to refund the County's remaining balances of the \$50,875,000 Sunshine State Pooled Financing Loan #1, Series 1987 and \$20,280,000 Sunshine State Pooled Financing Loan #3, Series 2000 and \$12,000,000 Sunshine State Pooled Financing Loan #5, Series 2004. The net proceeds of \$29,384,195 (after allowing for \$91,805 in issuance costs) plus a County contribution of \$2,495,805 were used to pay the principal on the loans.

The reacquisition price was equal to the net carrying amount of the old debt resulting in neither an accounting gain nor loss. The County decreased its aggregate debt service payments by approximately \$2,993,774 over a period of thirteen years and incurred an economic gain of approximately \$2,288,850 (difference between the present value of the old and new debt service payments). The interest rate in effect at the time of the refunding was used to compute the aggregate debt service payments and related economic gain for the refunded variable rate debt. The purpose of the refunding was to replace the variable rate loans.

**Current year refunding Proprietary Funds:**

On March 31, 2008, the Water Utilities Department issued \$6,473,000 Water and Sewer Revenue Refunding Bonds, Series 2008. The proceeds derived from the sale of the Series 2008 Bonds were used to pay certain costs related to their issuance and to refund the \$6,345,000 variable rate Series 1985 Water and Sewer Revenue Bonds. This transaction resulted in a \$31,643 accounting loss, which was deferred and will be amortized over the life of the new issue. Due to the variable interest rate on the refunded issue, an accurate economic gain is difficult to determine; however, the Series 2008 Bonds carry a fixed rate of 3.25%, whereas the refunded Series 1985 Bonds were fluctuating between 6% and 9% due to the turmoil in the credit markets.

**COMPONENT UNIT:**

Westgate/Belvedere Homes Community Redevelopment Agency (CRA) – The Series 1999 Bonds were issued for the purpose of providing the monies required to pay the cost of advance refunding. CRA's Series 1992 Bonds were used to construct and install certain infrastructure improvements in the redevelopment area, make a deposit to the Reserve

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

Account, and pay costs relating to the issuance of Series 1992 Bonds. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the bond issues being refunded. Refunded bonds are not included in CRA's outstanding debt since CRA has legally satisfied its obligations through the refunding transactions. Defeased bonds outstanding at September 30, 2008 are \$1,905,000.

**14. RECLASSIFICATIONS**

Effective October 1, 2007 the County reclassified several Revenue Bonds Debt Service funds to Other Financing Debt Service funds. As a result, beginning fund balance in Revenue Bonds Debt Service funds decreased by \$18,480 and beginning fund balance of Other Financing Debt Service funds increased by \$18,480.

**15. INTERFUND RECEIVABLE AND PAYABLE BALANCES**

Interfund balances at September 30, 2008, are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2008 were as follows:

Interfund Receivable Fund	Interfund Payable Fund	Amount
<b>Governmental Funds:</b>		
<b>Major Governmental Funds</b>		
General Fund	Law Enforcement Grants Special Revenue Fund	\$ 2,415,444
	County Transportation Trust Special Revenue Fund	64,999
	Community & Social Development Special Revenue Fund	6,080,308
	Other Special Revenue Funds	20,876,246
	Sheriff Special Revenue Fund	7,724,197
	Clerk & Comptroller Special Revenue Fund	525,634
	Tax Collector Special Revenue Fund	36,043,403
	Property Appraiser Special Revenue Fund	1,954,206
	Supervisor of Elections Special Revenue Fund	1,520,817
	Airports	3,855
	Solid Waste Authority	13,743
	Graphics	246,636
		<u>\$ 77,469,488</u>
Fire Rescue Special Revenue Fund	Community & Social Development Special Revenue Fund	\$ 61,864
	Other Special Revenue Funds	616,668
	Sheriff Special Revenue Fund	6,274
	Tax Collector Special Revenue Fund	2,561,000
	Property Appraiser Special Revenue Fund	152,964
	Solid Waste Authority	2,500
		<u>\$ 3,401,270</u>
Sheriff Special Revenue Fund	General Fund	\$ 621
	Criminal Justice Capital Projects	562,614
		<u>\$ 563,235</u>
General Government Capital Projects	Palm Tran Special Revenue Fund	\$ 239,918
	Other Special Revenue Funds	350
	Sheriff Special Revenue Fund	178,090
	Supervisor of Elections Special Revenue Fund	175,526
		<u>\$ 593,884</u>
<b>Nonmajor Governmental Funds</b>		
<b>Nonmajor Special Revenue Funds</b>		

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

Law Enforcement Grants Special Revenue Fund	General Fund	\$ 34,428
	Other Special Revenue Funds	114,373
	Sheriff Special Revenue Fund	3,871,351
		<u>\$ 4,020,152</u>
Library Taxing District Special Revenue Fund	Tax Collector Special Revenue Fund	\$ 648,431
	Property Appraiser Special Revenue Fund	39,872
	Libraries Capital Projects	88,161
		<u>\$ 776,464</u>
Community & Social Development Special Revenue Fund	General Fund	\$ 9,156,878
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	30,602
		<u>\$ 9,187,480</u>
Palm Tran Special Revenue Fund	General Fund	\$ 1,168
		<u>\$ 1,168</u>
Other Special Revenue Funds	General Fund	\$ 157,584
	Law Enforcement Grants Special Revenue Fund	6,867
	Sheriff Special Revenue Fund	5,160
	Clerk & Comptroller Special Revenue Fund	133,236
		<u>\$ 302,847</u>
Clerk & Comptroller Special Revenue Fund	General Fund	\$ 975,528
	Municipal Service Taxing District Special Revenue Fund	83
	Library Taxing District Special Revenue Fund	2,574
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	707
	Other Special Revenue Funds	156
	General Government Capital Projects	14
	Road Program Capital Projects	2,085
	Airports	138,475
	Water Utilities	8,603
	Clerk & Comptroller Insurance Fund	42,730
		<u>\$ 1,170,955</u>
<b>Nonmajor Capital Projects Funds</b>		
Environmental Lands Capital Projects	Tourist Development Special Revenue Fund	\$ 275
		<u>\$ 275</u>
Street & Drainage Capital Projects	Tax Collector Special Revenue Fund	\$ 4,294
		<u>\$ 4,294</u>
<b>Total Nonmajor Governmental Funds</b>		<u>\$ 15,463,635</u>
<b>Proprietary Funds:</b>		
<b>Enterprise Funds</b>		
Airports	General Fund	\$ 247,632
	Supervisor of Elections Special Revenue Fund	8,515
		<u>\$ 256,147</u>
Water Utilities	General Fund	\$ 18,972
	County Transportation Trust Special Revenue Fund	250
	Library Taxing District Special Revenue Fund	1,794
	Community & Social Development Special Revenue Fund	1,190
	Fire Rescue Special Revenue Fund	2,633
	Other Special Revenue Funds	719
	Tax Collector Special Revenue Fund	8,995

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

	Airports	62
		\$ 34,615
Solid Waste Authority	General Fund	\$ 57
	Palm Tran Special Revenue Fund	16
	Other Special Revenue Funds	1,165
	Tax Collector Special Revenue Fund	1,604,850
		\$ 1,606,088
<b>Internal Service Funds</b>		
Fleet Management	General Fund	\$ 873,888
	County Transportation Trust Special Revenue Fund	690,297
	Municipal Service Taxing District Special Revenue Fund	71,721
	Library Taxing District Special Revenue Fund	13,673
	Community & Social Development Special Revenue Fund	64,329
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	8,681
	Fire Rescue Special Revenue Fund	142,607
	Palm Tran Special Revenue Fund	2,634
	Other Special Revenue Funds	47,017
	Sheriff Special Revenue Fund	667,110
	Clerk & Comptroller Special Revenue Fund	3,859
	Tax Collector Special Revenue Fund	10,897
	Property Appraiser Special Revenue Fund	1,461
	Supervisor of Elections Special Revenue Fund	8,695
	Road Program Capital Projects	22,363
	Airports	69,396
	Water Utilities	307,117
	Solid Waste Authority	714
	Graphics	686
	Combined Insurance Fund	445
	ISS	6,393
		\$ 3,013,983
Graphics	Clerk & Comptroller Special Revenue Fund	\$ 533
	Tax Collector Special Revenue Fund	64
		\$ 597
Combined Insurance Fund	General Fund	\$ 932,642
	Tourist Development Special Revenue Fund	2,175
	County Transportation Trust Special Revenue Fund	154,740
	Municipal Service Taxing District Special Revenue Fund	69,763
	Library Taxing District Special Revenue Fund	149,361
	Community & Social Development Special Revenue Fund	183,481
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	6,033
	Hurricane Housing Recovery Plan Fund Special Revenue Fund	863
	Fire Rescue Special Revenue Fund	25,792
	Palm Tran Special Revenue Fund	261,866
	Other Special Revenue Funds	24,019
	General Government Capital Projects	1,297
	Road Program Capital Projects	22,746
	Airports	70,737
	Water Utilities	226,865
	Fleet Management	34,396
	Graphics	3,689
	ISS	93,110
		\$ 2,263,575
ISS	Clerk & Comptroller Special Revenue Fund	\$ 408,036
	Tax Collector Special Revenue Fund	474,061

**PALM BEACH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

	Property Appraiser Special Revenue Fund	93,340
		\$ 975,437
Clerk & Comptroller Insurance Fund	Clerk & Comptroller Special Revenue Fund	\$ 479,314
		\$ 479,314
<b>Total Internal Service Funds</b>		\$ 6,732,906
<b>Total Interfund Receivables and Payables Primary Government</b>		\$ 106,121,268
<b>Receivables and Payables Between Primary Government and Component Units:</b>		
<b>Interfund Receivable Primary Government Fund</b>	<b>Interfund Payable Component Unit Fund</b>	<b>Amount</b>
Combined Insurance Fund	Metropolitan Planning Organization	\$ 3,706
		\$ 3,706
<b>Interfund Receivable Component Unit Fund</b>	<b>Interfund Payable Primary Government Fund</b>	<b>Amount</b>
Metropolitan Planning Organization	General Fund	\$ 266,086
		\$ 266,086
<b>Total Receivables and Payables Between Primary Government and Component Units</b>		\$ 269,792

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

**16. SHORT-TERM DEBT**

Changes in Short-Term Liabilities - The following is a summary of changes in the short-term liabilities for the year ended September 30, 2008 for governmental activities:

<b>Governmental activities:</b>	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>
\$20M BAN Jail Facilities, Series 2007	\$ 20,043,500	\$ -	\$ 20,043,500	\$ -

On August 28, 2008, the \$20,043,500 Public Improvement Revenue Bond Anticipation Note, Series 2007 (Public Facilities Development Program) was retired by the issuance of \$176,585,000 Public Improvement Revenue Bonds, Series 2008. For more information on these bonds, see the Long-Term Debt Note.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**17. LONG-TERM DEBT**

**Changes in Long-Term Liabilities** - The following is a summary of changes in long-term liabilities for the year ended September 30, 2008 for both governmental activities and business-type activities:

<b>Governmental activities:</b>	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Bonds payable:</b>					
General obligation bonds	\$ 313,515,000	\$ -	\$ 23,105,000	\$ 290,410,000	\$ 20,260,000
Non-ad valorem revenue bonds	573,909,600	346,979,597	38,885,195	882,004,002	52,187,385
Face amount of bonds payable	887,424,600	346,979,597	61,990,195	1,172,414,002	72,447,385
Unamortized bond premiums	27,971,495	6,243,423	1,934,957	32,279,961	-
Unamortized loss on bond refinancing	(13,129,663)	-	(827,588)	(12,302,075)	-
Net bonds payable	902,266,432	353,223,020	63,097,564	1,192,391,888	72,447,385
Notes and loans payable	129,056,513	11,697,676	65,259,984	75,494,205	2,940,709
Arbitrage liability	4,406,172	2,871,896	2,601,322	4,676,746	632,185
Compensated absences	100,221,146	49,011,356	38,910,977	110,321,525	7,237,462
OPEB	-	11,524,769	-	11,524,769	-
Capital leases	11,294	-	3,842	7,452	4,139
Insurance Claims Payable	90,613,900	82,104,926	87,350,592	85,368,234	26,570,138
Fire Rescue LT liability	8,157,329	-	8,157,329	-	-
Governmental activity long-term liabilities	<u>\$ 1,234,732,786</u>	<u>\$ 510,433,643</u>	<u>\$ 265,381,610</u>	<u>\$ 1,479,784,819</u>	<u>\$ 109,832,018</u>

Long-term liabilities other than debt (bonds, loans and leases) are liquidated by the governmental fund incurring the expense. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$311,637 of internal service funds loans payable are included in the above amounts.

<b>Business-type activities:</b>	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Bonds payable:</b>					
Revenue bonds	\$ 591,244,818	\$ 6,473,000	\$ 57,185,000	\$ 540,532,818	\$ 53,815,000
Unamortized bond premiums	11,695,720	437	2,176,248	9,519,909	-
Unamortized loss on bond refinancing	(11,734,905)	3,463,340	(383,059)	(7,888,506)	-
Net bonds payable	591,205,633	9,936,777	58,978,189	542,164,221	53,815,000
Notes and loans payable	250,000	80,000,000	250,000	80,000,000	4,000,000
Accrued interest on notes and capital appreciation bonds	29,897,499	5,186,027	-	35,083,526	-
Accrued landfill costs	23,379,064	1,878,951	11,330	25,246,685	350,000
Compensated absences	7,607,211	1,139,104	474,538	8,271,777	747,912
OPEB	-	123,876	54,291	69,585	-
Business-type activities long-term liabilities	<u>\$ 652,339,407</u>	<u>\$ 98,264,735</u>	<u>\$ 59,768,348</u>	<u>\$ 690,835,794</u>	<u>\$ 58,912,912</u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Governmental Activities General Long-Term Debt**

General long-term debt, including current maturities, at September 30, 2008 consisted of the following:

**General Obligation Bonds**

\$57,440,000 General Obligation Refunding Bonds, Series 1994B were issued to pay the cost of refunding all or a portion of the County's General Obligation Bonds, Series 1970, Series 1978, Series 1988 and Series 1991. The annual installments range from \$3,700,000 to \$4,135,000 through July 1, 2011; with interest rates from 4.800% to 6.750% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 11,715,000

\$45,625,000 General Obligation Refunding Bonds, Series 1998 were issued to pay the cost of refunding a portion of the County's General Obligation Bonds, Series 1994 and Series 1991. The annual installments range from \$3,000,000 to \$4,030,000 through December 1, 2014; with interest rates from 4.250% to 5.500% payable semi-annually on June 1 and December 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 24,315,000

\$25,000,000 General Obligation Bonds (Recreational and Cultural Facilities Program), Series 1999A were issued to pay the cost of acquisition, construction and other capital improvements to certain recreational and cultural facilities within the County. The remaining annual installment is \$1,135,000 due August 1, 2009; with an interest rate of 6.000% payable semi-annually on February 1 and August 1. The bonds are general obligations of the County and are payable from ad valorem revenues. The County advance refunded \$15,520,000 of this issue on May 11, 2005. \$ 1,135,000

\$30,500,000 General Obligation Bonds (Library District Improvement Project), Series 2003 were issued to pay the cost of the land acquisition, design, engineering and constructing of new library facilities and the renovation and rehabilitation of existing library facilities within the County. The annual installments range from \$1,195,000 to \$2,205,000 through July 1, 2023; with interest rates from 2.875% to 5.250% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 24,380,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$25,000,000 General Obligation Bonds (Recreational and Cultural Facilities), Series 2003 were issued to pay the costs of acquiring, constructing, and improving certain recreational and cultural facilities located within the County including cultural facilities owned by non-profit corporations with 501(c)(3) status under the Internal Revenue Code, 1986. The annual installments range from \$1,035,000 to \$1,780,000 through July 1, 2023; with interest rates from 2.500% to 5.000% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 20,205,000

\$16,025,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities Program), Series 2005A were issued for paying and defeasing the County's outstanding General Obligation Bonds (Recreational and Cultural Facilities Program), Series 1999A maturing on and after August 1, 2010. The annual installments range from \$55,000 to \$1,920,000 through August 1, 2019; with interest rates from 2.900% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 15,860,000

\$25,000,000 General Obligation Bonds (Recreational and Cultural Facilities), Series 2005 were issued for financing certain recreational and cultural facilities within the County. The annual installments range from \$945,000 to \$1,860,000 through July 1, 2025; with interest rates from 2.900% to 5.000% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 22,400,000

\$22,335,000 General Obligation Bonds (Library District Improvements), Series 2006 were issued for financing additional library facilities and renovation of existing facilities within the County. The annual installments range from \$875,000 to \$1,665,000 through August 1, 2025; with interest rates from 3.300% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 20,675,000

\$50,000,000 General Obligation Bonds (Waterfront Access Projects), Series 2006 were issued for financing the purchase of waterfront access within the County. The annual installments range from \$1,850,000 to \$3,570,000 through August 1, 2026; with interest rates from 3.400% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 46,480,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$115,825,000 Taxable General Obligation Refunding Bonds, Series 2006 were issued for paying and defeasing the County's outstanding General Obligation Bonds (Land Acquisition Program), Series 1999B and paying and defeasing the County's outstanding General Obligation Bonds (Land Acquisition Program), Series 2001A. The annual installments range from \$6,470,000 to \$11,355,000 through June 1, 2020; with interest rates from 5.638% to 5.938% payable semi-annually on June 1 and December 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.

\$ 103,245,000

Total General Obligation Bonds

\$ 290,410,000

**Non-Ad Valorem Revenue Bonds**

\$233,620,000 Criminal Justice Facilities Revenue Bonds, Series 1990 were issued to pay the cost of the construction of improvements, extensions and additions to the County's jails, courthouses and related justice facilities. The annual installments range from \$18,300,000 to \$19,615,000 from June 1, 2014 through June 1, 2015; with an interest rate of 7.200% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. The County advance refunded \$120,770,000 of this issue on June 29, 1993 and \$33,550,000 on August 21, 1997. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 37,915,000

\$22,245,000 Administrative Complex Revenue Refunding Bonds, Series 1993 were issued to refund the Palm Beach County Public Building Corporation, Inc. Revenue Refunding Bonds, Series 1986. The annual installments range from \$1,630,000 to \$1,865,000 through June 1, 2011; with an interest rate of 5.250% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 5,210,000

\$117,485,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 1993 were issued to pay the cost of advance refunding a portion of the Criminal Justice Facilities Revenue Bonds, Series 1990. The annual installments range from \$12,035,000 to \$13,365,000 through June 1, 2011; with an interest rate of 5.375% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 38,085,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$32,775,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 1997 were issued to pay the cost of advance refunding a portion of the County's outstanding Criminal Justice Facilities Revenue Bonds, Series 1990. The annual installments range from \$15,870,000 to \$16,785,000 from June 1, 2012 through June 1, 2013; with an interest rate of 5.750% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 32,655,000

\$18,560,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 2002 were issued to pay the cost of advance refunding a portion of the County's outstanding Criminal Justice Facilities Revenue Bonds, Series 1994. The annual installments range from \$1,545,000 to \$2,015,000 through June 1, 2015; with interest rates from 3.625% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 12,315,000

\$6,525,000 Public Improvement Recreation Facilities Revenue Refunding Bonds, Series 2003 were issued to pay the cost of refunding all of the County's outstanding Public Improvement Recreation Facilities Revenue Bonds, Series 1994. The annual installments range from \$575,000 to \$685,000 through July 1, 2014; with interest rates from 3.250% to 4.000% payable semi-annually on January 1 and July 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 3,765,000

\$94,300,000 Public Improvement Revenue and Refunding Bonds, Series 2004 were issued to pay the cost of refunding the County's Revenue Refunding Bond Anticipation Note (Light Industrial Complex Project), Series 2002, refunding the County's Airport Centre Revenue Bonds, Series 1992 and paying the costs of acquiring, constructing, and renovating certain capital facilities. The annual installments range from \$4,350,000 to \$6,690,000 through August 1, 2023; with interest rates from 2.250% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 77,745,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$81,340,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004 were issued to finance the costs of advance refunding the County's Public Improvement Revenue Bonds, Series 2001 (Convention Center Bonds). The annual installments range from \$1,585,000 to \$5,240,000 through November 1, 2030; with interest rates from 2.500% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 79,335,000

\$38,895,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A were issued to pay the outstanding principal and interest on the County's Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2004B. The annual installments range from \$1,540,000 to \$2,715,000 through November 1, 2024; with interest rates from 2.375% to 4.375% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 34,465,000

\$24,427,515 Taxable Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004B were issued to pay the outstanding principal and interest on the County's Taxable Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2004C. The annual installments range from \$2,442,751 to \$2,442,752 through November 1, 2014; with a variable rate of interest in effect of 3.803% which is calculated on a daily basis payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 17,099,259

\$17,455,000 Parks and Recreation Facilities Revenue Refunding Bonds, Series 2005 were issued to pay the cost of refunding the County's Parks and Recreation Facilities Revenue Bonds, Series 1996 maturing on and after November 1, 2007. The annual installments range from \$1,470,000 to \$2,000,000 through November 1, 2016; with interest rates from 3.000% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 15,430,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$13,485,000 Revenue Refunding Bonds (North County Courthouse and Sheriff's Motor Pool Facility Projects), Series 2005 were issued to pay the cost of defeasing a portion of the County's outstanding Revenue Improvement Bonds, Series 1997 (North County Courthouse and Sheriff's Motor Pool Facilities Projects). The annual installments range from \$1,120,000 to \$1,605,000 through December 1, 2017; with interest rates from 3.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 13,360,000

\$9,520,000 Public Improvement Revenue Refunding Bonds, Judicial Center Parking Facilities, Series 2005 were issued to pay the cost of refunding the County's Public Improvement Revenue Bonds, Judicial Parking Facilities, Series 1995 maturing on and after November 1, 2006. The annual installments range from \$870,000 to \$1,120,000 through November 1, 2015; with interest rates from 3.000% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 7,855,000

\$133,935,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A were issued to pay the cost of funding a grant to The Scripps Research Institute to enable Scripps to pay a portion of the cost of acquiring, constructing, improving and equipping the "Permanent Facilities" and paying the outstanding principal and interest due on the County's \$20,000,000 Public Improvement Revenue Bond Anticipation Notes, Series 2004. The annual installments range from \$4,760,000 to \$10,190,000 through June 1, 2025; with interest rates from 3.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy. \$ 120,725,000

\$20,070,000 Stadium Facilities Revenue Refunding Bonds, Series 2005 were issued to pay the cost of refunding all of the County's outstanding Stadium Facilities Revenue Bonds, Series 1996. The annual installments range from \$1,485,000 to \$2,090,000 through December 1, 2016; with interest rates of 3.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 15,905,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$13,028,760 Public Improvement Revenue Bonds (Florida Atlantic University Laboratory and Research Facility Project), Series 2005 were issued to pay the cost of the design, development and construction of a laboratory and research facility on the Jupiter, Florida Campus of Florida Atlantic University. The annual installments range from \$1,349,341 to \$1,641,680 through January 1, 2014; with a variable rate of interest in effect of 2.284% which is calculated on a daily basis payable semi-annually on January 1 and July 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 8,950,146

\$14,685,000 Public Improvement Revenue Bonds (Parking Facilities Expansion Project), Series 2006 were issued to pay the costs of construction related to the expansion of the Judicial Center Parking Garage. The annual installments range from \$500,000 to \$1,085,000 through December 1, 2026; with interest rates of 4.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 14,210,000

\$2,582,648 Public Improvement Revenue Refunding Bond (Biomedical Research Park Project), Series 2007A was issued to pay the County's outstanding Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006A and Taxable Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006B. The annual installments range from \$89,989 to \$182,616 through November 1, 2027; with a variable interest rate at September 30, 2008 of 4.010% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 2,582,648

\$5,180,949 Taxable Public Improvement Revenue Refunding Bond (Biomedical Research Park Project), Series 2007B was issued to pay the County's outstanding Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006A and Taxable Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project), Series 2006B. The annual installments range from \$155,551 to \$411,965 through November 1, 2027; with a variable interest rate at September 30, 2008 of 5.560% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 5,180,949

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$98,080,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2007C were issued to redeem the County's Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2006, to fund a grant to the Scripps Research Institute to enable Scripps to pay a portion of the cost of their permanent facilities, and to pay for the preparation of the Briger Site for development. The annual installments range from \$3,065,000 to \$7,490,000 through November 1, 2027; with interest rates from 4.000% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 98,080,000

\$35,075,000 Public Improvement Revenue Bonds (Law Enforcement Information Technology Project), Series 2008 were issued to pay the cost of law enforcement technology equipment and software. The annual installments range from \$5,410,965 to \$6,298,675 through February 1, 2014; with an interest rate of 3.038% payable semi-annually on February 1 and August 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 35,075,000

\$29,476,000 Public Improvement Revenue Refunding Bonds, Series 2008A were issued to refund three variable rate loans with the Sunshine State Governmental Financing Commission. The annual installments range from \$1,093,000 to \$4,142,000 through December 1, 2020; with an interest rate of 3.497% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 29,476,000

\$176,585,000 Public Improvement Revenue Bonds, Series 2008 were issued to pay for additional criminal justice (law enforcement) facilities. The annual installments range from \$2,055,000 to \$10,730,000 through May 1, 2038; with interest rates from 3.500% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 176,585,000

Total Non-Ad Valorem Revenue Bonds \$ 882,004,002

Face Amount of Bonds Payable	\$1,172,414,002
Unamortized bond premiums	\$ 32,279,961
Unamortized loss on bond refinancing	<u>\$ (12,302,075)</u>
Net General Obligation and Non-Ad Valorem Revenue Bonds	<u>\$1,192,391,888</u>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Notes and Loans Payable**

The Sunshine State Governmental Financing Commission (the "Commission") was created in November 1985. As a joint venture among the member governmental units, the Commission enables a limited number of qualifying governments to participate in pooled debt financing with pricing and cost structures not normally available to governmental entities acting individually. Loan obligations from the Commission are reflected as debt by the participating governmental units. Palm Beach County has no obligation and minimal event risk associated with the Commission other than the repayment of its loan from the Commission. Financial Statements may be obtained from the Commission.

\$27,000,000 - In 2006, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$940,000 to \$1,986,000 through November 1, 2025; with a variable interest rate in effect of 1.640% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 25,240,000

\$6,125,000 - In 2006, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$306,000 to \$307,000 through April 1, 2026; with a variable interest rate in effect of 1.640% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 5,513,000

\$7,500,000 - In 2006, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$257,000 to \$594,000 through November 1, 2025; with a variable interest rate in effect of 1.640% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 7,256,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$8,160,000 - In 2006, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$397,000 to \$749,000 through November 1, 2021; with a variable interest rate in effect of 1.640% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 7,782,000

\$4,838,000 - In 2007, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$163,000 to \$373,000 through November 1, 2026; with a variable interest rate in effect of 1.640% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 4,838,000

\$1,660,000 - HUD Section 108 Loan #1, 2004, payable to the Secretary of Housing and Urban Development due in annual installments ranging from \$87,000 to \$94,000 through August 1, 2023; with interest rates of 4.320% to 5.970% payable semi-annually on February 1 and August 1 of each year. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 1,312,000

\$11,543,892 Taxable Public Improvement Revenue Bond Anticipation Note (Convention Center Hotel Project) Series 2007 was issued to pay the cost of acquiring the convention center hotel site and initial design expenses. Interest is payable semiannually on May 1 and November 1 with the entire principal due on May 1, 2010; at a variable rate of interest in effect of 2.624% which is calculated on a daily basis. The note is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 11,543,892

\$11,697,676 Public Improvement Revenue Note (Environmentally Sensitive Land Acquisition Project) Series 2008 was issued to pay the cost of the acquisition of environmentally sensitive land in Palm Beach County. The annual installments are \$584,884 through August 1, 2028; with a variable rate of interest in effect of 2.585% payable semiannually on February 1 and August 1 of each year. The note is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 11,697,676

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$ 606,412 - IBM Mainframe IPA Systems Equipment Loan, 2007. The Information Systems Services Department agreed to an installment purchase agreement with IBM for data processing software systems equipment with maintenance and services. The terms of the installment purchase are quarterly principal and interest payments at a rate of 3.746% for the Equipment, 3.553% for the Software and 5.110% for Services through January 1, 2010. The installment purchase is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 311,637

On May 22, 2008, the County entered into a \$38,776,332 line of credit agreement with a financial institution to support the issuance of letters of credit to satisfy the debt service reserve funding requirements for seven of the County's outstanding bond issues. Principal borrowed on the line of credit is due at maturity on May 21, 2009. Interest on the principal balance accrues at a rate equivalent to the BBA LIBOR rate plus 1.500% and is paid quarterly. The County does not anticipate that any draws on the letters of credit will occur. The County will use non-ad valorem revenues to fund the letter of credit fees. The County had no outstanding balance on the loan payable as of September 30, 2008. \$ 0

On August 15, 2008, the County entered into a \$22,568,948 line of credit agreement with a financial institution to support the issuance of standby letters of credit to satisfy the debt service reserve funding requirements for four of the County's outstanding bond issues. Principal borrowed on the line of credit is due at maturity on August 15, 2009. Interest on the principal balance accrues at a rate per year equal to the sum of (i) the Prime Rate plus (ii) for the first 30 days such amount is outstanding, 0%; for the 31<sup>st</sup> through 60<sup>th</sup> day such amount is outstanding, 0.5%; for the 61<sup>st</sup> through 90<sup>th</sup> day such amount is outstanding, 1.0%; and after the 90<sup>th</sup> day, 2.0%. The County does not anticipate that any draws on the letters of credit will occur. The County will use non-ad valorem revenues to fund the letter of credit fees. The County had no outstanding balance on the loan payable as of September 30, 2008. \$ 0

Total Notes and Other Loans Payable \$ 75,494,205

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Arbitrage Liability**

Certain County debt obligations are subject to Section 148 of the Internal Revenue Code which requires that interest earned on proceeds from tax-exempt debt be rebated to the federal government to the extent that those earnings exceed the interest cost of the related tax-exempt debt. The arbitrage rebate must be calculated and paid to the federal government every five years from the date of issue until the debt matures. The County employs a consultant to make computations on an annual basis. However, since the rebate is cumulative (excess earnings in one year can be offset with deficit earnings in another year), the annually computed estimate may change significantly (increase or decrease) before the actual due date.

\$ 4,676,746

**Compensated absences**

Compensated absences are liquidated by the governmental fund incurring the expense.

County Funds:

General Fund	\$ 15,678,621
Special Revenue Funds	22,720,680
Capital Projects Fund	772,770

Constitutional Officers:

Sheriff	62,017,657
Clerk & Comptroller	5,732,292
Tax Collector	805,906
Property Appraiser	2,313,146
Supervisor of Elections	280,453

\$ 110,321,525

OPEB

11,524,769

Capital leases

7,452

Insurance claims payable

85,368,234

Total Governmental Activities General Long-Term Debt including current portion

\$1,479,784,819

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Business-type Activities Long-Term Debt**

Business-type long-term debt, including current portion, at September 30, 2008 consisted of the following:

**Revenue Bonds**

\$30,000,000 Water and Wastewater Revenue Bonds, Series 1998 were issued to pay a portion of the costs of constructing certain additions and improvements to the County's water and wastewater facilities. The annual installments range from \$1,510,000 to \$1,715,000 through October 1, 2011; with interest rates from 4.200% to 4.500% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Wastewater System and a first lien on and pledge of the connection charges of the system. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy. \$ 6,445,000

\$26,785,000 Water and Sewer Revenue Refunding Bonds, Series 2003 were issued to pay for refunding all of the County's outstanding Water and Sewer Revenue Bonds, Series 1993A and Water and Sewer Revenue Refunding Bonds, Series 1993B maturing on and after October 1, 2003. The annual installments range from \$830,000 to \$4,120,000 through October 1, 2013; with interest rates from 2.000% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system. \$ 12,080,000

\$28,265,000 Water and Sewer Revenue Refunding Bonds, Series 2004 were issued to pay for the refunding of the County's Water and Sewer Revenue Bonds, Series 1995 maturing on and after October 1, 2006. The annual installments range from \$3,985,000 to \$5,270,000 through April 1, 2011; with interest rates from 3.000% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system. \$ 14,280,000

\$125,850,000 Water and Wastewater Revenue Bonds, Series 2006A were issued to pay a portion of the costs of constructing certain additions and improvements to the County's water and wastewater facilities and acquisition of certain water and wastewater assets from the Village of Royal Palm Beach, Florida. The annual installments range from \$2,110,000 to \$7,760,000 through October 1, 2036; with interest rates from 3.500% to 5.000% payable semi-annually on April 1 and October 1 \$ 123,815,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Wastewater System and a first lien on and pledge of the connection charges of the system.

\$12,485,000 Water and Sewer Revenue Refunding Bonds, Series 2006B were issued to pay for the refunding of the County's Water and Sewer Revenue Bonds, Series 1998 maturing on and after October 1, 2012. The annual installments range from \$45,000 to \$2,245,000 through October 1, 2017; with interest rates from 3.500% to 4.250% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 12,410,000

\$6,473,000 Water and Sewer Revenue Refunding Bonds, Series 2008 were issued to pay for refunding all of the County's outstanding Water and Sewer Revenue Bonds, Series 1985. The annual installments range from \$1,400,000 to \$1,928,000 through October 1, 2011; with an interest rate of 3.250% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system.

\$ 6,473,000

\$83,965,000 Airport System Revenue Refunding Bonds, Series 2001 were issued to refund the Airport System Revenue Bonds, Series 1991 maturing October 1, 2004 and October 1, 2010. The annual installments range from \$7,225,000 to \$7,975,000 through October 1, 2010; with interest rates from 4.000% to 5.500% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 22,735,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$60,150,000 Airport System Revenue Refunding Bonds, Series 2002 were issued to refund the Airport System Revenue Bonds, Series 1992 maturing October 1, 2014. The annual installments range from \$10,270,000 to \$12,500,000 from October 1, 2011 through October 1, 2014; with an interest rate of 5.750% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy. \$ 45,410,000

\$69,080,000 Airport System Revenue Refunding Bonds, Series 2006A were issued to pay a portion of the costs of constructing certain facilities and improvements to the Airport System. The annual installments range from \$2,920,000 to \$6,055,000 from October 1, 2021 through October 1, 2036; with interest rates from 4.700% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy. \$ 69,080,000

\$16,855,000 Airport System Revenue Refunding Bonds, Series 2006B were issued to advance refund a portion of the Airport System Revenue Bonds, Series 2001 and a portion of the Airport System Revenue Bonds, Series 2002. The annual installments range from \$2,425,000 to \$3,225,000 from October 1, 2015 through October 1, 2020; with an interest rate of 5.905% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy. \$ 16,855,000

\$266,590,000 Solid Waste Authority Refunding Revenue Bonds, Series 1997A were issued to refund the Authority's Adjustable/Fixed Rate Revenue Bonds, Series 1984 maturing on and after July 1, 1998. The annual installments range from \$31,405,000 to \$37,025,000 through October 1, 2010; with an interest rate of 6.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. Payment of principal and interest is guaranteed under a noncancellable insurance policy. \$ 102,835,000

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

\$36,405,432 Solid Waste Authority Refunding Revenue Bonds, Series 1998A were issued to refund certain of the Authority's Refunding Bonds, Series 1989. \$2,165,000 are Current Interest Series 1998A Bonds. The remaining annual installment is \$1,070,000 due October 1, 2008; with an interest rate of 4.300% payable semi-annually on April 1 and October 1. \$34,240,432 are Capital Appreciation series 1998A Bonds due in annual installments of \$2,550,830 to \$20,209,629 from October 1, 2011 through October 1, 2013; and shall accrue interest from their delivery date to appreciate at the approximate yields from 4.900% to 5.050%. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. Payment of principal and interest is guaranteed under a noncancellable insurance policy.

\$ 35,310,432

\$39,869,386 Solid Waste Authority Improvement Revenue Bonds, Series 2002B were issued to refund a portion of the Authority's Refunding and Improvement Revenue Bonds, Series 1992. \$1,135,000 are Current Interest Series 2002B Bonds, which have matured. \$38,734,386 are Capital Appreciation Series 2002B Bonds due in annual installments ranging from \$12,003,800 to \$13,769,586 from October 1, 2014 through October 1, 2016; and shall accrue interest from their delivery date to appreciate at the approximate yields from 4.850% to 5.050%. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. Payment of principal and interest is guaranteed under a noncancellable insurance policy.

\$ 38,734,386

\$34,385,000 Solid Waste Authority Refunding Revenue Bonds, Series 2004 were issued to advance refund the Authority's Improvement Revenue Bonds, Series 1997B due in annual installments ranging from \$45,000 to \$33,935,000 through October 1, 2011; with interest rates from 2.000% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. Payment of principal and interest is guaranteed under a noncancellable insurance policy.

\$ 34,070,000

Total face value of revenue bonds payable	\$ 540,532,818
Unamortized bond premiums	\$ 9,519,909
Unamortized loss on bond refinancing	\$ (7,888,506)
Net Revenue Bonds, Business-Type Activities	\$ 542,164,221

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Notes and Loans Payable**

On March 15, 2006, the Department of Airports entered into an \$8,000,000 line of credit agreement with a financial institution to finance costs incurred in connection with the acquisitions, constructions, installation and equipping of certain facilities and improvements relating to the Airport System. Principal borrowed on the line of credit is due at maturity on June 30, 2011. Interest on the principal balance accrues at a rate equivalent to 77% of the one month LIBOR rate plus 46 basis points (approximately 2.370% at September 30, 2008) and is paid quarterly. Borrowings on the line of credit are payable from and secured by a pledge of the net revenues of the airport system, subordinate to the lien and pledge of net revenues for repayment of the Airport bonds. The Department had no outstanding balance on the loan payable as of September 30, 2008.

\$ 0

\$80,000,000 Solid Waste Authority Subordinated Improvement Revenue Note, Series 2008 was issued to finance costs incurred in connection with the relocation of facilities and the purchase of land for the development of a new landfill site. The annual installments are \$4,000,000 through October 1, 2027; with a variable rate of interest in effect of 3.200% payable semi-annually on April 1 and October 1 of each year. The note is not a general obligation of the County and is secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system.

\$ 80,000,000

Total notes and loans payable	\$ 80,000,000
Accrued interest payable on notes and capital appreciation bonds	\$ 35,083,526
Accrued landfill costs	\$ 25,246,685

**Compensated absences**

Compensated absences are liquidated by the business type fund incurring the expense.

**Business-Type Fund**

Water Utilities Department	\$ 2,929,961
Department of Airports	1,250,049
Solid Waste Authority	<u>4,091,767</u>

\$ 8,271,777

OPEB	<u>\$ 69,585</u>
------	------------------

Total Business-Type Activities Long-Term Debt, including current portion	<u>\$ 690,835,794</u>
--	-----------------------

Annual debt service requirements to maturity for governmental activities long-term debt are as follows:

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Governmental Activities General Long-Term Debt**

Year Ending September 30	General Obligation Bonds		Non-Ad Valorem Revenue Bonds		Loans Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2009	\$ 20,260,000	\$ 14,394,297	\$ 52,187,385	\$ 37,938,087	\$ 2,940,709	\$ 1,485,793	\$ 129,206,271
2010	21,185,000	13,468,819	54,946,492	38,637,187	14,466,588	1,424,566	144,128,652
2011	22,240,000	12,416,423	55,171,950	36,394,566	2,903,884	1,064,617	130,191,440
2012	18,965,000	11,269,504	57,589,589	34,029,017	2,992,883	1,007,386	125,853,379
2013	19,885,000	10,350,093	60,459,693	31,485,581	3,089,884	948,426	126,218,677
2014-2018	102,175,000	36,456,253	219,013,605	117,923,330	17,042,419	3,794,152	496,404,759
2019-2023	68,545,000	12,229,809	162,605,981	76,211,822	19,414,419	2,037,140	341,044,171
2024-2028	17,155,000	1,389,658	117,904,307	39,433,317	12,643,419	422,208	188,947,909
2029-2033	-	-	53,350,000	19,266,250	-	-	72,616,250
2034-2038	-	-	48,775,000	7,554,250	-	-	56,329,250
Total	<u>\$ 290,410,000</u>	<u>\$ 111,974,856</u>	<u>\$ 882,004,002</u>	<u>\$ 438,873,407</u>	<u>\$ 75,494,205</u>	<u>\$ 12,184,288</u>	<u>\$ 1,810,940,758</u>

Annual debt service requirements to maturity for business-type activities long-term debt are as follows:

**Business-type Activities Long-Term Debt**

Year Ending September 30	Revenue Bonds		Loan and Note Payable		Total
	Principal	Interest	Principal	Interest	
2009	\$ 53,815,000	\$ 22,688,981	\$ 4,000,000	\$ 2,496,000	\$ 82,999,981
2010	56,675,000	19,779,744	4,000,000	2,368,000	82,822,744
2011	55,455,000	16,714,512	4,000,000	2,240,000	78,409,512
2012	53,733,830	16,196,705	4,000,000	2,112,000	76,042,535
2013	36,559,629	32,623,433	4,000,000	1,984,000	75,167,062
2014-2018	107,574,359	97,216,765	20,000,000	8,000,000	232,791,124
2019-2023	32,955,000	40,108,609	20,000,000	4,800,000	97,863,609
2024-2028	40,545,000	30,892,538	20,000,000	1,600,000	93,037,538
2029-2033	51,735,000	19,412,138	-	-	71,147,138
2034-2038	51,485,000	5,197,160	-	-	56,682,160
Total	<u>\$ 540,532,818</u>	<u>\$ 300,830,585</u>	<u>\$ 80,000,000</u>	<u>\$ 25,600,000</u>	<u>\$ 946,963,403</u>

**COMPONENT UNITS:**

Metropolitan Planning Organization (MPO) Changes in Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	<u>\$ 209,363</u>	<u>\$ -</u>	<u>\$ 2,939</u>	<u>\$ 206,424</u>	<u>\$ 1,445</u>

Westgate/Belvedere Homes Community Redevelopment Agency (CRA) Changes in Long-Term Liabilities:

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 2,230,000	\$ -	\$ 160,000	\$ 2,070,000	\$ 170,000
Loans payable	2,549,072	-	238,595	2,310,477	248,929
Mortgage payable	199,136	-	9,837	189,299	10,548
Mortgage payable	465,000	-	209,964	255,036	255,036
Mortgage payable	260,000	-	-	260,000	-
<b>Total</b>	<b>\$ 5,703,208</b>	<b>\$ -</b>	<b>\$ 618,396</b>	<b>\$ 5,084,812</b>	<b>\$ 684,513</b>

Bond obligation - Redevelopment Revenue Refunding and Improvement Bonds, Series 1999 authorized issue dated March 1, 1999, was \$3,380,000. Bonds outstanding at September 30, 2008 were \$2,070,000 and interest rates range from 3.1% to 4.8%.

Loan payable - On November 28, 2005, the CRA was approved by a bank for a loan in the amount of \$3,038,300 with a maturity of August 1, 2016 and interest set at 4.15%. The proceeds of the loan will be used for street improvements and acquisition of property in the Westgate/Belvedere Community.

Mortgage payable - The mortgage is payable in monthly installment payments of \$1,955 including interest with a maturity of August 3, 2010 and interest rate of 7%. The mortgage is secured by the building.

Mortgage payable - The mortgage is payable in monthly installment payments of \$2,519, interest only, with a maturity of September 30, 2009 and interest rate of 6.5%. The mortgage is secured by the building.

Mortgage payable - The mortgage is payable in monthly installment payments of \$1,625, interest only, with a maturity of September 28, 2010 and interest rate of 7.5%. The mortgage is secured by the building.

Annual debt service requirements to maturity for CRA long-term debt are as follows:

Year Ending September 30	Bond Obligation		
	Principal	Interest	Total
2009	\$ 170,000	\$ 89,858	\$ 259,858
2010	175,000	82,570	257,570
2011	185,000	74,917	259,917
2012	190,000	66,760	256,760
2013	200,000	58,180	258,180
2014-2018	1,150,000	140,830	1,290,830
<b>Total</b>	<b>\$ 2,070,000</b>	<b>\$ 513,115</b>	<b>\$ 2,583,115</b>

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

Year Ending September 30	Loan Payable		
	Principal	Interest	Total
2009	\$ 248,929	\$ 97,216	\$ 346,145
2010	259,403	86,742	346,145
2011	270,317	75,828	346,145
2012	281,515	64,630	346,145
2013	956,777	81,658	1,038,435
2014-2016	293,536	52,609	346,145
Total	<u>\$ 2,310,477</u>	<u>\$ 458,683</u>	<u>\$ 2,769,160</u>

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2009	\$ 10,548	\$ 10,917	\$ 21,465
2010	178,751	11,172	189,923
Total	<u>\$ 189,299</u>	<u>\$ 22,089</u>	<u>\$ 211,388</u>

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2009	\$ 255,036	\$ 16,163	\$ 271,199
Total	<u>\$ 255,036</u>	<u>\$ 16,163</u>	<u>\$ 271,199</u>

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2009	\$ -	\$ 19,500	\$ 19,500
2010	260,000	19,500	279,500
Total	<u>\$ 260,000</u>	<u>\$ 39,000</u>	<u>\$ 299,000</u>

**CONDUIT DEBT**

**Primary Government:** The County issues Industrial Development Bonds to provide financial assistance to not-for-profit and private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. During the current reporting period, three series of Industrial Development Bonds were issued with an aggregate par value of \$101,180,000. As of September 30, 2008, there were thirty-seven series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of \$577,105,000.

**Component Unit:** The Housing Finance Authority of Palm Beach County (HFA) is authorized to issue bonds to fulfill their corporate purpose. The HFA and the County are

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2008, the HFA has \$264 million of bonds outstanding that were originally issued in the aggregate principal amount of \$362 million.

## **18. CONTINGENCIES**

### **Litigation**

The County is involved in various lawsuits arising in the ordinary course of operations. Although the outcome of these matters is not presently determinable, it is the opinion of management of the County based upon consultation with legal counsel, that the outcome of these matters will not materially affect the financial position of the County.

### **State and Federal Grants**

Grant monies received and disbursed by the County are for specific purposes and are subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures. Based upon prior experience, management does not believe that such disallowances, if any, would have a material adverse effect on the financial position of the County.

### **Interlocal Agreement**

On September 22, 1992 the Board of County Commissioners approved an interlocal agreement between the County and the Westgate/Belvedere Homes Community Redevelopment Agency (Agency), whereby the County has agreed to fund any deficiency in the reserve fund of the Agency's Redevelopment Revenue Bonds. The Agency is required to notify the County on or before May 2<sup>nd</sup> of each year of any deficiency amount that the Agency expects to exist on the next succeeding November 1<sup>st</sup>. At present, the County has not been made aware of any deficiency amount.

### **Bond Guaranty**

On October 17, 2000 the Board of County Commissioners approved a trust agreement between the County and Suntrust Bank, (the Trustee), whereby the County has agreed to fund any deficiency in the reserve fund of the Palm Beach County, Florida, Industrial Development Revenue Bonds (South Florida Fair project), Series 2000. The Trustee is required to notify the County after June 1<sup>st</sup> and on or before June 5<sup>th</sup> of each year of the deficiency amount, if any, as of such date. At present, the County has not been made aware of any deficiency amount.

Letters of credit have been arranged in lieu of debt service reserve surety insurance policies where credit ratings of the insurers declined below the rating required by the bond covenants. Additional information on the letters of credit may be found in the note for long-term debt.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**Solid Waste Authority (SWA)**

**Environmental Liabilities:** SWA, in cooperation with other state and local regulatory agencies, maintains an extensive monitoring program for potential environmental contaminants at each of its sites and facilities. These monitoring programs have not identified any contaminants caused by landfill leachate or other operations of SWA. In the event that any environmental contaminants are identified, SWA may be financially responsible for the environmental assessment and cleanup costs, as well as potential fines imposed by governmental regulatory agencies.

**19. PLEDGED REVENUES**

The County has pledged a portion of future non-ad valorem revenues to repay \$956 million in revenue bonds, notes and loans issued between July 1, 1990 and August 28, 2008. A ten year history of the pledged revenues are reported in statistical table X. Proceeds from the debt provided financing for capital additions, improvements, and expansion of County facilities, equipment and infrastructure. The bonds are payable solely from available non-ad valorem revenues and are payable through May 1, 2038. Total principal and interest remaining to be paid on the bonds is \$1.4 billion with annual requirements ranging from \$11 million in fiscal year 2034 to \$110 million in fiscal year 2010. The pledged non-ad valorem revenues, from which the appropriations will be made, have averaged \$308 million per year over the last 10 years. Principal and interest paid for the current year and total pledged non-ad valorem revenues were \$81 million and \$344 million, respectively.

The County has pledged future airport revenues net of specified operating expenses, to repay \$154 million in airport revenue bonds issued between July 3, 2001 and May 17, 2006. Proceeds from the bonds provided financing for the addition, improvements and expansion of the airport facilities, equipment and infrastructure. The bonds are payable solely from the airport net revenues and are payable through October 1, 2036. Total principal and interest remaining to be paid on the bonds is \$254 million with annual requirements ranging from \$6 million in fiscal year 2037 to \$17 million in fiscal year 2015. Annual principal and interest payments on the bonds are expected to require less than 34% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$15 million and \$27 million, respectively.

The County has pledged future water utility revenues net of specified operating expenses, to repay \$176 million in water & sewer revenue bonds issued between June 24, 1998 and March 31, 2008. Proceeds from the bonds provided financing for the addition, improvements and expansion of the water and sewer facilities, equipment and infrastructure. The bonds are payable solely from the water utility net revenues and are payable through October 1, 2036. Total principal and interest remaining to be paid on the bonds is \$291 million with annual requirements ranging from \$8 million in fiscal year 2036 to \$22 million in fiscal year 2010. Annual principal and interest payments on the bonds are expected to require less than 28% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$22 million and \$50 million, respectively.

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

The Solid Waste Authority (SWA) has pledged future revenues net of specified operating expenses, to repay \$326 million in SWA revenue bonds issued between March 15, 1997 and January 9, 2008. Proceeds from the bonds and note provided financing for the addition, improvements and expansion of the SWA facilities, equipment and infrastructure. The bonds and note are payable solely from the SWA net revenues and are payable through October 1, 2027. Total principal and interest remaining to be paid on the bonds and note is \$375 million with annual requirements ranging from \$4 million in fiscal year 2018 to \$45 million in fiscal year 2013. Annual principal and interest payments on the bonds are expected to require less than 100% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$39 million and \$55 million, respectively.

## **20. DEFICIT FUND EQUITY**

Internal Service Funds – The Graphics internal service fund had deficit net assets of \$261,449 as of September 30, 2008. Rates charged to other funds and external customers will be reviewed in future years to eliminate the deficit.

## **21. SUBSEQUENT EVENTS**

On October 7, 2008, the County entered into an agreement with a developer for mutual release and termination of commitments for the convention center hotel and parking garage. Under the terms of the agreement, the County and developer release all claims against one another as well as their rights to pursue legal action.

On December 2, 2008, the County approved an Interlocal Agreement with the City of Riviera Beach where the County agreed to share 20% of the cost capped at \$7,020,000 for the Singer Island Erosion Control Project with reimbursement of eligible project costs retroactive to May 3, 2005. A feasibility study conducted in 2002 identified offshore breakwaters as the best alternative for shoreline protection to mitigate critically eroded shoreline along the north end of Singer Island. Eligible costs include project management, engineering and design, permitting, construction, mitigation, and environmental and project performance monitoring.

### **Water Utilities Department:**

On October 21, 2008, the County approved an agreement to allow the Cities of Belle Glade, Pahokee, and South Bay (Cities) to defer payment of capital cost reimbursement related to the Lake Region Water Treatment Plant for a period not to exceed twelve months beginning with the October, 2008 billing. The agreement is part of an effort to provide temporary financial assistance to the Cities until a Glades Utility Authority (Authority) can be created to combine the Cities' three utility systems. The Authority would assume the existing utility debt from the Cities, prioritize and implement repairs and upgrades to the existing infrastructure, bill utility customers, and correct regulatory deficiencies in the systems.

A maximum of \$785,000 will be deferred if the payments are deferred for the full twelve-month period. During the deferral period, interest will continue to accrue. The capital cost

**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

reimbursement payments will be reinstated once the Authority is established, the concept of the Authority is abandoned, or twelve months have passed, whichever occurs first.

**Debt Issuance:**

On November 13, 2008, the County issued \$94,235,000 Public Improvement Revenue Bonds, Series 2008-2 for the purpose of (i) funding a portion of the County's obligation to distribute funds to Max Planck Florida Corporation (MPFC) pursuant to the terms of a written grant agreement between the County and MPFC relating to the establishment of a biomedical research facility within the County by MFPC; and (ii) providing funds, together with other legally available funds of the County, to refinance the obligations of the County to the Sunshine State Governmental Financing Commission related to its Commercial Paper Revenue Notes, Series J. Interest is paid semi-annually at rates ranging from 4.000% to 5.375% and principal is paid annually beginning November 1, 2009.

## REQUIRED SUPPLEMENTARY INFORMATION



The Required Supplementary Information subsection includes the budgetary comparison schedule for Palm Beach County's major funds; the General Fund, the Fire Rescue Special Revenue Fund, and the Sheriff Special Revenue Fund. It also includes the schedules of funding progress related to the Palm Tran and Lantana Firefighter's Pension Plans.



PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the fiscal year ended September 30, 2008  
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 703,409,947	\$ 700,909,947	\$ 674,913,810	\$ (25,996,137)
Licenses and permits	4,507,200	4,507,200	3,885,447	(621,753)
Intergovernmental	32,143,130	29,084,105	31,708,356	2,624,251
Charges for services	62,755,948	63,126,456	69,059,861	5,933,405
Fines and forfeitures	1,719,750	1,719,750	1,399,126	(320,624)
Investment income	12,693,650	12,693,650	17,060,682	4,367,032
Miscellaneous	5,375,426	5,377,309	7,373,862	1,996,553
<b>Less 5% anticipated revenues</b>	<b>(41,250,253)</b>	<b>(41,142,093)</b>	<b>-</b>	<b>41,142,093</b>
<b>Total revenues</b>	<b>781,354,798</b>	<b>776,276,324</b>	<b>805,401,144</b>	<b>29,124,820</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	281,232,166	294,455,701	123,616,503	170,839,198
Public safety	35,021,876	35,572,178	33,598,692	1,973,486
Physical environment	14,555,161	14,569,374	13,456,825	1,112,549
Transportation	6,998,810	7,138,929	7,065,807	73,122
Economic environment	29,308,051	29,288,051	28,671,979	616,072
Human services	56,128,202	57,104,469	54,722,884	2,381,585
Culture and recreation	63,252,383	62,734,253	60,394,430	2,339,823
Capital outlay	715,368	1,158,378	871,777	286,601
<b>Total expenditures</b>	<b>487,212,017</b>	<b>502,021,333</b>	<b>322,398,897</b>	<b>179,622,436</b>
<b>Excess of revenues over expenditures</b>	<b>294,142,781</b>	<b>274,254,991</b>	<b>483,002,247</b>	<b>208,747,256</b>
<b>Other financing sources (uses):</b>				
Transfers in	30,545,899	25,597,166	33,039,979	7,442,813
Transfers out	(531,066,566)	(540,616,961)	(538,231,869)	2,385,092
<b>Total other financing sources (uses)</b>	<b>(500,520,667)</b>	<b>(515,019,795)</b>	<b>(505,191,890)</b>	<b>9,827,905</b>
<b>Net change in fund balances</b>	<b>(206,377,886)</b>	<b>(240,764,804)</b>	<b>(22,189,643)</b>	<b>218,575,161</b>
Fund balances, October 1, 2007	206,377,886	240,764,804	242,836,817	2,072,013
<b>(Decrease) in reserves, inventory</b>	<b>-</b>	<b>-</b>	<b>(73,374)</b>	<b>(73,374)</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 220,573,800</b>	<b>\$ 220,573,800</b>

NOTE: The effective legal level of budget control is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at the Office of Financial Management and Budget. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Fire Rescue Special Revenue Fund  
For the fiscal year ended September 30, 2008  
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 203,315,549	\$ 203,315,549	\$ 195,976,807	\$ (7,338,742)
Special assessments	314,245	314,245	303,720	(10,525)
Licenses and permits	2,000	2,000	4,077	2,077
Intergovernmental	223,112	233,942	381,715	147,773
Charges for services	27,958,487	27,958,487	30,897,059	2,938,572
Investment income	2,068,670	2,068,670	6,313,431	4,244,761
Miscellaneous	94,500	94,500	280,430	185,930
<b>Less 5% anticipated revenues</b>	<b>(11,371,386)</b>	<b>(11,371,386)</b>	<b>-</b>	<b>11,371,386</b>
<b>Total revenues</b>	<b>222,605,177</b>	<b>222,616,007</b>	<b>234,157,239</b>	<b>11,541,232</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	272,579,401	287,895,458	209,244,939	78,650,519
Economic environment	1,000,000	1,000,000	917,082	82,918
Capital outlay	6,776,638	6,927,395	3,737,765	3,189,630
<b>Total expenditures</b>	<b>280,356,039</b>	<b>295,822,853</b>	<b>213,899,786</b>	<b>81,923,067</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(57,750,862)</b>	<b>(73,206,846)</b>	<b>20,257,453</b>	<b>93,464,299</b>
<b>Other financing sources (uses):</b>				
Transfers in	8,604,998	8,930,998	7,056,212	(1,874,786)
Transfers out	(10,180,000)	(10,180,000)	(10,180,000)	-
<b>Total other financing sources (uses)</b>	<b>(1,575,002)</b>	<b>(1,249,002)</b>	<b>(3,123,788)</b>	<b>(1,874,786)</b>
<b>Net change in fund balances</b>	<b>(59,325,864)</b>	<b>(74,455,848)</b>	<b>17,133,665</b>	<b>91,589,513</b>
Fund balances, October 1, 2007	59,325,864	74,455,848	76,621,912	2,166,064
Increase in reserves, inventory	-	-	361,867	361,867
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,117,444</b>	<b>\$ 94,117,444</b>

NOTE: The effective legal level of budget control is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at the Office of Financial Management and Budget. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Sheriff Special Revenue Fund  
For the fiscal year ended September 30, 2008  
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 1,858,607	\$ 1,858,607
Fines and forfeitures	-	-	126,728	126,728
Investment income	-	-	242,926	242,926
Miscellaneous	-	-	28,784	28,784
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>2,257,045</b>	<b>2,257,045</b>
Expenditures:				
Current:				
General government	18,415,114	18,927,980	18,933,887	(5,907)
Public safety	387,737,384	395,900,858	380,967,983	14,932,875
Capital outlay	11,386,136	45,156,686	27,207,798	17,948,888
Debt service	5,700,000	-	-	-
<b>Total expenditures</b>	<b>423,238,634</b>	<b>459,985,524</b>	<b>427,109,668</b>	<b>32,875,856</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(423,238,634)</b>	<b>(459,985,524)</b>	<b>(424,852,623)</b>	<b>35,132,901</b>
Other financing sources (uses):				
Transfers in	423,238,634	460,869,439	434,591,773	(26,277,666)
Transfers out	-	(883,915)	(8,615,725)	(7,731,810)
<b>Total other financing sources (uses)</b>	<b>423,238,634</b>	<b>459,985,524</b>	<b>425,976,048</b>	<b>(34,009,476)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>1,123,425</b>	<b>1,123,425</b>
<b>Fund balances, October 1, 2007</b>	<b>-</b>	<b>-</b>	<b>4,882,520</b>	<b>4,882,520</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,005,945</b>	<b>\$ 6,005,945</b>

NOTE: The effective legal level of budget control is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at the Office of Financial Management and Budget. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

## REQUIRED SUPPLEMENTARY INFORMATION

### Palm Tran Pension Plan Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1/1/06	\$38,539,860	\$44,962,920	\$ 6,423,060	85.7%	\$18,954,945	33.9%
1/1/07	42,001,404	50,729,230	8,727,826	82.8%	20,148,949	43.3%
1/1/08	47,083,495	56,979,616	9,896,121	82.6%	21,454,569	46.1%

### Lantana Firefighter's Pension Plan Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
9/30/05	\$ 8,689,000	\$15,087,000	\$ 6,398,000	57.6%	\$ 2,559,000	250.1%
9/30/06	10,314,000	16,503,000	6,190,000	62.5%	2,579,000	240.0%
9/30/07	13,078,000	18,739,000	5,661,000	69.8%	2,726,000	207.7%

REQUIRED SUPPLEMENTARY INFORMATION

Palm Beach County Primary Government Healthcare Plans  
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
County 10/1/2007	\$0	\$14,638,000	\$14,638,000	0.0%	\$294,272,546	5.0%
Tax Collector 10/1/2007	\$0	\$1,533,513	\$1,533,513	0.0%	\$9,879,680	15.5%
Property Appraiser 10/1/2007	\$0	\$312,788	\$312,788	0.0%	\$14,237,382	2.2%
Clerk & Comptroller 10/1/2007	\$0	\$5,445,000	\$5,445,000	0.0%	\$35,775,864	15.2%
Sheriff 1/1/2008	\$0	\$169,700,000	\$169,700,000	0.0%	\$222,956,243	76.1%
Fire Rescue Union 10/1/2005	\$7,109,107	\$16,319,357	\$9,210,250	43.6%	\$102,075,035	9.0%

Palm Beach County Fire Rescue Taxing District Long Term Disability Plan  
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/1/2007	\$0	\$8,953,897	\$8,953,897	0.0%	\$116,586,776	7.7%



## COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



This subsection includes the combining and individual fund statements and schedules for the following:

- Nonmajor Governmental Funds
- Internal Service Funds
- Agency Funds



## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Tourist Development** - To account for tourist development taxes designated to promote tourism in Palm Beach County.

**Law Enforcement Grants** - To account for revenues to be used for law enforcement grants, including but not limited to the Local Law Enforcement Block Grants, "LLEBG".

**County Transportation Trust** - To account for ad-valorem taxes, gas taxes and other revenues designated for the construction and maintenance of County roads.

**Municipal Service Taxing District** - To account for revenues to be used in the unincorporated areas of the County for services rendered.

**Library Taxing District** - To account for ad-valorem taxes and governmental grant funds designated to operate and maintain the County's public library system.

**Community and Social Development** - To account for governmental grant funds and other revenues designated for community and social services.

**Affordable Housing Trust Fund (SHIP)**- To account for intergovernmental revenues and other revenues designated for providing standard, affordable housing for persons of low to moderate income.

**Hurricane Housing Recovery Plan Fund** - To account for intergovernmental revenues for the repair/replace/reconstruct/retrofit of single family units for extremely low, very low, and moderate income homeowners.

**Palm Tran** - To account for activities related to the operation of the County-owned public bus transportation system.

**Other Special Revenue Fund** - To account for local half-cent sales taxes and other revenues designated for various services provided by the County.

**Clerk & Comptroller** - To account for all funds received and expended to carry out the duties and responsibilities of the elected office of Clerk & Comptroller.

**Tax Collector** - To account for all funds received and expended to carry out the duties and responsibilities of the elected office of Tax Collector.

**Property Appraiser** - To account for all funds received and expended to carry out the duties and responsibilities of the elected office of Property Appraiser.

**NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS CONTINUED**

**Supervisor of Elections** - To account for all funds received and expended to carry out the duties and responsibilities of the elected office of Supervisor of Elections.

**DEBT SERVICE FUNDS**

**General Obligation Bonds** - To account for the annual debt service requirements of all general obligation bonds.

**Revenue Bonds** - To account for the annual debt service requirements of non ad-valorem, non self-supporting revenue bonds.

**Other Financing** - To account for the annual debt service requirements of other financing arrangements.

**CAPITAL PROJECTS FUNDS**

**Criminal Justice** - To account for costs related to the design and construction of courthouses, jails and other physical facilities required for the courts, law enforcement and detention operations.

**Environmental Lands** - To account for costs related to the acquisition of environmentally sensitive ecological sites, and for the design and construction of beach improvements such as sand/beach renourishment or dune replacement projects.

**Fire Rescue** - To account for costs related to the design, acquisition and construction of fire stations, training and administrative facilities, and equipment acquisitions for new stations.

**Libraries** - To account for costs related to the design, acquisition and construction of libraries, including library materials.

**Parks and Recreation** - To account for costs related to the design, acquisition and construction or expansion of beach, regional, district and community parks including active and passive recreational facilities and administrative facilities for park operations.

**Street and Drainage** - To account for costs related to the design and construction of neighborhood streets, replacing shellrock (dirt) roads and providing drainage associated with the streets. These improvements are primarily funded by assessments against the benefiting properties.



PALM BEACH COUNTY, FLORIDA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2008

	Tourist Development Special Revenue Fund	Law Enforcement Grants Special Revenue Fund	County Transportation Trust Special Revenue Fund	Municipal Service Taxing District Special Revenue Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,007,520	\$ -	\$ 19,771,508	\$ 4,369,635
Investments	-	-	-	-
Accounts receivable, net	105,486	-	2,557	10,290
Due from other county funds	-	4,020,152	-	-
Due from other governments	-	1,695,583	402,953	-
Inventory	-	-	3,415,677	-
Other assets	600,000	-	-	-
Other receivable, noncurrent	3,750,000	-	-	-
<b>Total assets</b>	<b>\$ 33,463,006</b>	<b>\$ 5,715,735</b>	<b>\$ 23,592,695</b>	<b>\$ 4,379,925</b>
<b>LIABILITIES</b>				
Vouchers payable and accrued liabilities	\$ 1,147,068	\$ 45,791	\$ 2,947,034	\$ 486,829
Due to other county funds	2,450	2,422,311	910,286	141,567
Due to other governments	8	197,226	25,449	15,108
Due to individuals	-	-	-	-
Deferred and unearned revenue	3,750,000	1,056,369	-	-
Other liabilities	-	-	-	-
Matured principal and interest payable	-	-	-	-
<b>Total liabilities</b>	<b>4,899,526</b>	<b>3,721,697</b>	<b>3,882,769</b>	<b>643,504</b>
<b>FUND BALANCE</b>				
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for inventory	-	-	3,415,677	-
Unreserved, reported in:				
Special Revenue Funds	28,563,480	1,994,038	16,294,249	3,736,421
Capital Projects Funds	-	-	-	-
<b>Total fund balance</b>	<b>28,563,480</b>	<b>1,994,038</b>	<b>19,709,926</b>	<b>3,736,421</b>
<b>Total liabilities and fund balance</b>	<b>\$ 33,463,006</b>	<b>\$ 5,715,735</b>	<b>\$ 23,592,695</b>	<b>\$ 4,379,925</b>

Library Taxing District Special Revenue Fund	Community and Social Development Special Revenue Fund	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	Hurricane Housing Recovery Plan Fund Special Revenue Fund	Palm Tran Special Revenue Fund	Other Special Revenue Fund	Clerk & Comptroller Special Revenue Fund
\$ 12,617,371	\$ 2,700	\$ 11,419,711	\$ 453,571	\$ 1,866,609	\$ 95,788,700	\$ 25,306,042
-	-	-	-	-	-	-
4,063	943,484	5,044	-	50,873	2,762,717	212,470
776,464	9,187,480	-	-	1,168	302,847	1,170,955
-	8,397,588	-	-	4,840,443	8,595,743	191,108
-	-	-	-	1,941,645	49,652	-
-	-	-	-	-	5,850	1,632
-	-	-	-	-	-	-
<b>\$ 13,397,898</b>	<b>\$ 18,531,252</b>	<b>\$ 11,424,755</b>	<b>\$ 453,571</b>	<b>\$ 8,700,738</b>	<b>\$ 107,505,509</b>	<b>\$ 26,882,207</b>
\$ 1,490,006	\$ 3,455,483	\$ 303,162	\$ 10,072	\$ 2,878,906	\$ 930,332	\$ 2,829,289
167,402	6,391,172	46,023	863	504,434	21,680,713	1,550,612
1,455	757,544	3,583	-	3,742	322,522	3,580,353
-	73,125	-	-	-	2,775	660,000
-	3,109,992	-	-	224,000	1,994,557	-
-	-	-	689	-	-	1,282,003
-	-	-	-	-	-	-
<b>1,658,863</b>	<b>13,787,316</b>	<b>352,768</b>	<b>11,624</b>	<b>3,611,082</b>	<b>24,930,899</b>	<b>9,902,257</b>
-	-	-	-	-	-	-
-	-	-	-	1,941,645	49,652	-
11,739,035	4,743,936	11,071,987	441,947	3,148,011	82,524,958	16,979,950
-	-	-	-	-	-	-
<b>11,739,035</b>	<b>4,743,936</b>	<b>11,071,987</b>	<b>441,947</b>	<b>5,089,656</b>	<b>82,574,610</b>	<b>16,979,950</b>
<b>\$ 13,397,898</b>	<b>\$ 18,531,252</b>	<b>\$ 11,424,755</b>	<b>\$ 453,571</b>	<b>\$ 8,700,738</b>	<b>\$ 107,505,509</b>	<b>\$ 26,882,207</b>

PALM BEACH COUNTY, FLORIDA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2008

	Tax Collector Special Revenue Fund	Property Appraiser Special Revenue Fund	Supervisor of Elections Special Revenue Fund	Total Special Revenue Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 48,127,046	\$ 4,097,438	\$ 2,539,786	\$ 255,367,637
Investments	-	-	-	-
Accounts receivable, net	86,215	-	-	4,183,199
Due from other county funds	-	-	-	15,459,066
Due from other governments	208	-	-	24,123,626
Inventory	-	-	-	5,406,974
Other assets	815,000	32,781	-	1,455,263
Other receivable, noncurrent	-	-	-	3,750,000
<b>Total assets</b>	<b>\$ 49,028,469</b>	<b>\$ 4,130,219</b>	<b>\$ 2,539,786</b>	<b>\$ 309,745,765</b>
<b>LIABILITIES</b>				
Vouchers payable and accrued liabilities	\$ 917,378	\$ 1,249,696	\$ 514,591	\$ 19,205,637
Due to other county funds	41,355,995	2,241,843	1,713,553	79,129,224
Due to other governments	5,682,887	301,205	81,467	10,972,549
Due to individuals	-	-	-	735,900
Deferred and unearned revenue	1,072,209	337,475	230,175	11,774,777
Other liabilities	-	-	-	1,282,692
Matured principal and interest payable	-	-	-	-
<b>Total liabilities</b>	<b>49,028,469</b>	<b>4,130,219</b>	<b>2,539,786</b>	<b>123,100,779</b>
<b>FUND BALANCE</b>				
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for inventory	-	-	-	5,406,974
Unreserved, reported in:				
Special Revenue Funds	-	-	-	181,238,012
Capital Projects Funds	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186,644,986</b>
<b>Total liabilities and fund balance</b>	<b>\$ 49,028,469</b>	<b>\$ 4,130,219</b>	<b>\$ 2,539,786</b>	<b>\$ 309,745,765</b>

General Obligation Bonds Debt Service	Revenue Bonds Debt Service	Other Financing Debt Service	Total Debt Service Funds	Criminal Justice Capital Projects	Environmental Lands Capital Projects	Fire Rescue Capital Projects
\$ 2,362,008	\$ 27,642,599	\$ 3,208,311	\$ 33,212,918	\$ 189,289,056	\$ 21,299,120	\$ 55,846,512
919,500	-	-	919,500	-	-	-
-	-	80,676	80,676	-	-	-
-	-	-	-	-	275	-
-	-	-	-	3,868	295,896	21,934
-	-	-	-	-	-	-
-	-	-	-	-	-	200
-	12,558,941	-	12,558,941	-	-	-
<b>\$ 3,281,508</b>	<b>\$ 40,201,540</b>	<b>\$ 3,288,987</b>	<b>\$ 46,772,035</b>	<b>\$ 189,292,924</b>	<b>\$ 21,595,291</b>	<b>\$ 55,868,646</b>
\$ -	\$ 16,803	\$ 8,274	\$ 25,077	\$ 4,952,062	\$ 337,347	\$ 6,654,438
-	-	-	-	562,614	-	-
-	-	-	-	-	30,440	-
-	-	-	-	-	-	-
-	12,558,941	-	12,558,941	-	109,375	-
-	-	-	-	-	35,000	-
-	-	64,819	64,819	-	-	-
-	12,575,744	73,093	12,648,837	5,514,676	512,162	6,654,438
3,281,508	27,625,796	3,215,894	34,123,198	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	183,778,248	21,083,129	49,214,208
3,281,508	27,625,796	3,215,894	34,123,198	183,778,248	21,083,129	49,214,208
<b>\$ 3,281,508</b>	<b>\$ 40,201,540</b>	<b>\$ 3,288,987</b>	<b>\$ 46,772,035</b>	<b>\$ 189,292,924</b>	<b>\$ 21,595,291</b>	<b>\$ 55,868,646</b>

PALM BEACH COUNTY, FLORIDA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2008

	Libraries Capital Projects	Parks and Recreation Capital Projects	Street and Drainage Capital Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 73,066,743	\$ 78,575,585	\$ 12,115,353	\$ 430,192,369	\$ 718,772,924
Investments	-	-	-	-	919,500
Accounts receivable, net	73	1,034	6,297,579	6,298,686	10,562,561
Due from other county funds	-	-	4,294	4,569	15,463,635
Due from other governments	6,785	52,645	-	381,128	24,504,754
Inventory	-	-	-	-	5,406,974
Other assets	-	-	-	200	1,455,463
Other receivable, noncurrent	-	-	-	-	16,308,941
<b>Total assets</b>	<b>\$ 73,073,601</b>	<b>\$ 78,629,264</b>	<b>\$ 18,417,226</b>	<b>\$ 436,876,952</b>	<b>\$ 793,394,752</b>
<b>LIABILITIES</b>					
Vouchers payable and accrued liabilities	\$ 2,979,038	\$ 3,187,327	\$ 226,335	\$ 18,336,547	\$ 37,567,261
Due to other county funds	88,161	-	-	650,775	79,779,999
Due to other governments	-	39,037	-	69,477	11,042,026
Due to individuals	-	-	-	-	735,900
Deferred and unearned revenue	-	-	6,297,580	6,406,955	30,740,673
Other liabilities	-	-	-	35,000	1,317,692
Matured principal and interest payable	-	-	-	-	64,819
<b>Total liabilities</b>	<b>3,067,199</b>	<b>3,226,364</b>	<b>6,523,915</b>	<b>25,498,754</b>	<b>161,248,370</b>
<b>FUND BALANCE</b>					
Fund balances:					
Reserved for debt service	-	-	-	-	34,123,198
Reserved for inventory	-	-	-	-	5,406,974
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	181,238,012
Capital Projects Funds	70,006,402	75,402,900	11,893,311	411,378,198	411,378,198
<b>Total fund balance</b>	<b>70,006,402</b>	<b>75,402,900</b>	<b>11,893,311</b>	<b>411,378,198</b>	<b>632,146,382</b>
<b>Total liabilities and fund balance</b>	<b>\$ 73,073,601</b>	<b>\$ 78,629,264</b>	<b>\$ 18,417,226</b>	<b>\$ 436,876,952</b>	<b>\$ 793,394,752</b>



PALM BEACH COUNTY, FLORIDA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the fiscal year ended September 30, 2008

	Tourist Development Special Revenue Fund	Law Enforcement Grants Special Revenue Fund	County Transportation Trust Special Revenue Fund	Municipal Service Taxing District Special Revenue Fund
<b>Revenues:</b>				
Taxes (net of discount)	\$ 27,813,718	\$ -	\$ 2,355	\$ -
Special assessments	-	-	955,629	-
Licenses and permits	-	-	7,155	9,613,953
Intergovernmental	250,000	2,753,664	6,666,911	4,683
Charges for services	3,227,522	-	922,867	697,386
Less - excess fees paid out	-	-	-	-
Fines and forfeitures	-	1,039,812	-	62,637
Investment income	1,115,544	158,415	583,458	414,554
Miscellaneous	62,831	27,553	1,272,784	2,200
<b>Total revenues</b>	<b>32,469,615</b>	<b>3,979,444</b>	<b>10,411,159</b>	<b>10,795,413</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	18,438	-	-
Public safety	-	686,441	-	17,976,740
Physical environment	-	-	-	-
Transportation	-	-	42,709,023	-
Economic environment	20,024,227	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	1,714,841	8,374
Debt service	-	-	-	-
<b>Total expenditures</b>	<b>20,024,227</b>	<b>704,879</b>	<b>44,423,864</b>	<b>17,985,114</b>
<b>Excess of revenues over (under) expenditures</b>	<b>12,445,388</b>	<b>3,274,565</b>	<b>(34,012,705)</b>	<b>(7,189,701)</b>
<b>Other financing sources (uses):</b>				
Transfers in	993,850	541,805	35,817,357	-
Transfers out	(9,631,761)	(4,351,410)	(152,650)	-
Issuance of long-term debt	-	-	-	-
Premium (discount) long-term debt	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(8,637,911)</b>	<b>(3,809,605)</b>	<b>35,664,707</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>3,807,477</b>	<b>(535,040)</b>	<b>1,652,002</b>	<b>(7,189,701)</b>
Fund balances, October 1, 2007	24,756,003	2,529,078	18,419,176	10,926,122
<b>Increase (decrease) in reserves, inventory</b>	<b>-</b>	<b>-</b>	<b>(361,252)</b>	<b>-</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ 28,563,480</b>	<b>\$ 1,994,038</b>	<b>\$ 19,709,926</b>	<b>\$ 3,736,421</b>

Library Taxing District Special Revenue Fund	Community and Social Development Special Revenue Fund	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	Hurricane Housing Recovery Plan Fund Special Revenue Fund	Palm Tran Special Revenue Fund	Other Special Revenue Fund	Clerk & Comptroller Special Revenue Fund
\$ 45,152,262	\$ -	\$ -	\$ -	\$ 12,323,260	\$ 33,641,516	\$ -
-	-	-	-	-	5,309,872	-
34,590	-	-	-	-	950,616	-
1,218,526	53,575,333	7,426,090	-	14,068,185	90,709,759	661,642
47,371	553,292	-	-	10,211,448	10,841,190	40,528,864
-	-	-	-	-	-	-
439,732	-	-	-	-	2,900,786	6,370,920
1,346,970	507,034	578,909	72,006	282,751	4,390,232	846,454
243,701	1,337,817	364,497	65,794	1,137,872	2,649,847	2,791,428
48,483,152	55,973,476	8,369,496	137,800	38,023,516	151,393,818	51,199,308
-	-	-	-	-	10,567,335	69,593,173
-	1,059,183	-	-	-	8,805,859	-
-	-	-	-	-	4,745,605	-
-	-	-	-	74,932,270	-	-
-	21,619,640	10,287,049	2,222,975	-	533,795	-
-	44,452,294	-	-	-	685,344	-
34,271,875	-	-	-	-	4,647,832	-
4,702,576	530,761	11,948	17,985	3,173,607	8,727,061	737,982
-	160,802	-	-	-	-	-
38,974,451	67,822,680	10,298,997	2,240,960	78,105,877	38,712,831	70,331,155
9,508,701	(11,849,204)	(1,929,501)	(2,103,160)	(40,082,361)	112,680,987	(19,131,847)
-	16,127,294	-	-	37,048,260	3,263,099	16,957,072
(13,613,282)	(955,814)	-	-	(345,970)	(98,319,625)	(646,941)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(13,613,282)	15,171,480	-	-	36,702,290	(95,056,526)	16,310,131
(4,104,581)	3,322,276	(1,929,501)	(2,103,160)	(3,380,071)	17,624,461	(2,821,716)
15,843,616	1,421,660	13,001,488	2,545,107	8,209,364	64,953,330	19,801,666
-	-	-	-	260,363	(3,181)	-
\$ 11,739,035	\$ 4,743,936	\$ 11,071,987	\$ 441,947	\$ 5,089,656	\$ 82,574,610	\$ 16,979,950

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds (continued)  
For the fiscal year ended September 30, 2008

	Tax Collector Special Revenue Fund	Property Appraiser Special Revenue Fund	Supervisor of Elections Special Revenue Fund	Total Special Revenue Funds
<b>Revenues:</b>				
Taxes (net of discount)	\$ -	\$ -	\$ -	\$ 118,933,111
Special assessments	-	-	-	6,265,501
Licenses and permits	-	-	-	10,606,314
Intergovernmental	-	-	359,012	177,693,805
Charges for services	65,133,926	24,090,253	249,498	156,503,617
Less - excess fees paid out	(46,539,258)	(2,446,944)	-	(48,986,202)
Fines and forfeitures	-	-	-	10,813,887
Investment income	1,151,068	151,615	131,462	11,730,472
Miscellaneous	-	-	-	9,956,324
<b>Total revenues</b>	<b>19,745,736</b>	<b>21,794,924</b>	<b>739,972</b>	<b>453,516,829</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	19,602,071	21,734,541	10,164,061	131,679,619
Public safety	-	-	-	28,528,223
Physical environment	-	-	-	4,745,605
Transportation	-	-	-	117,641,293
Economic environment	-	-	-	54,687,686
Human services	-	-	-	45,137,638
Culture and recreation	-	-	-	38,919,707
Capital outlay	143,665	55,799	322,973	20,147,572
Debt service	-	4,584	-	165,386
<b>Total expenditures</b>	<b>19,745,736</b>	<b>21,794,924</b>	<b>10,487,034</b>	<b>441,652,729</b>
<b>Excess of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(9,747,062)</b>	<b>11,864,100</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	11,228,444	121,977,181
Transfers out	-	-	(1,481,382)	(129,498,835)
Issuance of long-term debt	-	-	-	-
Premium (discount) long-term debt	-	-	-	-
Issuance of refunding debt	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>9,747,062</b>	<b>(7,521,654)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,342,446</b>
<b>Fund balances, October 1, 2007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,406,610</b>
<b>Increase in reserves, inventory</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(104,070)</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 186,644,986</b>

General Obligation Bonds Debt Service	Revenue Bonds Debt Service	Other Financing Debt Service	Total Debt Service Funds	Criminal Justice Capital Projects	Environmental Lands Capital Projects	Fire Rescue Capital Projects
\$ 37,081,976	\$ -	\$ -	\$ 37,081,976	\$ -	\$ 2	\$ -
-	-	-	-	224,684	-	957,683
-	-	-	-	-	-	-
181	-	-	181	-	2,847,022	-
-	-	-	-	-	199,570	3,700
-	-	-	-	-	-	-
-	-	-	-	-	20,420	-
743,917	316,906	85,652	1,146,475	2,929,357	1,024,673	2,964,240
-	110,744	-	110,744	-	15,629	1,122,502
37,826,074	427,650	85,652	38,339,376	3,154,041	4,107,316	5,048,125
-	-	-	-	43,557	2,082	-
-	-	-	-	41	-	221,908
-	-	-	-	-	5,819,200	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	45,000	-
-	-	-	-	19,412,928	12,673,216	24,988,306
38,523,557	68,868,550	14,758,070	122,150,177	1,671,906	37,236	-
38,523,557	68,868,550	14,758,070	122,150,177	21,128,432	18,576,734	25,210,214
(697,483)	(68,440,900)	(14,672,418)	(83,810,801)	(17,974,391)	(14,469,418)	(20,162,089)
-	85,651,551	51,513,389	137,164,940	-	3,206,131	10,180,000
-	(37,115,925)	(124,454)	(37,240,379)	(22,695,489)	(10,404)	-
-	-	-	-	211,660,000	11,697,676	-
-	-	-	-	1,508,526	-	-
-	37,239,596	-	37,239,596	-	-	-
-	-	(37,115,938)	(37,115,938)	-	-	-
-	85,775,222	14,272,997	100,048,219	190,473,037	14,893,403	10,180,000
(697,483)	17,334,322	(399,421)	16,237,418	172,498,646	423,985	(9,982,089)
3,978,991	10,291,474	3,615,315	17,885,780	11,279,602	20,659,144	59,196,297
-	-	-	-	-	-	-
\$ 3,281,508	\$ 27,625,796	\$ 3,215,894	\$ 34,123,198	\$ 183,778,248	\$ 21,083,129	\$ 49,214,208

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the fiscal year ended September 30, 2008

	Libraries Capital Projects	Parks and Recreation Capital Projects	Street and Drainage Capital Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes (net of discount)	\$ 41	\$ -	\$ -	\$ 43	\$ 156,015,130
Special assessments	190,046	2,231,825	556,492	4,160,730	10,426,231
Licenses and permits	-	-	-	-	10,606,314
Intergovernmental	150,000	840,465	-	3,837,487	181,531,473
Charges for services	-	10,578	-	213,848	156,717,465
Less - excess fees paid out	-	-	-	-	(48,986,202)
Fines and forfeitures	-	-	-	20,420	10,834,307
Investment income	3,687,614	4,823,798	924,236	16,353,918	29,230,865
Miscellaneous	3,300	101,093	62,680	1,305,204	11,372,272
<b>Total revenues</b>	<b>4,031,001</b>	<b>8,007,759</b>	<b>1,543,408</b>	<b>25,891,650</b>	<b>517,747,855</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	-	5,327,210	-	5,372,849	137,052,468
Public safety	-	549,715	-	771,664	29,299,887
Physical environment	-	-	-	5,819,200	10,564,805
Transportation	-	-	318,710	318,710	117,960,003
Economic environment	-	228	61,680	61,908	54,749,594
Human services	-	-	-	-	45,137,638
Culture and recreation	427,914	6,366,925	-	6,839,839	45,759,546
Capital outlay	22,959,429	23,518,446	2,842,425	106,394,750	126,542,322
Debt service	1,093,569	566,328	-	3,369,039	125,684,602
<b>Total expenditures</b>	<b>24,480,912</b>	<b>36,328,852</b>	<b>3,222,815</b>	<b>128,947,959</b>	<b>692,750,865</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(20,449,911)</b>	<b>(28,321,093)</b>	<b>(1,679,407)</b>	<b>(103,056,309)</b>	<b>(175,003,010)</b>
<b>Other financing sources (uses):</b>					
Transfers in	13,613,282	2,499,420	1,429,738	30,928,571	290,070,692
Transfers out	-	(467,259)	-	(23,173,152)	(189,912,366)
Issuance of long-term debt	-	-	-	223,357,676	223,357,676
Premium (discount) long-term debt	-	-	-	1,508,526	1,508,526
Issuance of refunding debt	-	-	-	-	37,239,596
Payment to escrow agent for refunding	-	-	-	-	(37,115,938)
<b>Total other financing sources (uses)</b>	<b>13,613,282</b>	<b>2,032,161</b>	<b>1,429,738</b>	<b>232,621,621</b>	<b>325,148,186</b>
<b>Net change in fund balances</b>	<b>(6,836,629)</b>	<b>(26,288,932)</b>	<b>(249,669)</b>	<b>129,565,312</b>	<b>150,145,176</b>
<b>Fund balances, October 1, 2007</b>	<b>76,843,031</b>	<b>101,691,832</b>	<b>12,142,980</b>	<b>281,812,886</b>	<b>482,105,276</b>
<b>Increase (decrease) in reserves, inventory</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(104,070)</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ 70,006,402</b>	<b>\$ 75,402,900</b>	<b>\$11,893,311</b>	<b>\$411,378,198</b>	<b>\$ 632,146,382</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Tourist Development Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 30,587,147	\$ 30,587,147	\$ 27,813,718	\$ (2,773,429)
Intergovernmental	250,000	250,000	250,000	-
Charges for services	3,170,368	3,170,368	3,227,522	57,154
Investment income	967,258	967,258	1,115,544	148,286
Miscellaneous	-	-	62,831	62,831
<b>Less 5% anticipated revenues</b>	<b>(1,736,238)</b>	<b>(1,736,238)</b>	<b>-</b>	<b>1,736,238</b>
<b>Total revenues</b>	<b>33,238,535</b>	<b>33,238,535</b>	<b>32,469,615</b>	<b>(768,920)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Economic environment	45,663,288	47,725,945	20,024,227	27,701,718
<b>Total expenditures</b>	<b>45,663,288</b>	<b>47,725,945</b>	<b>20,024,227</b>	<b>27,701,718</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(12,424,753)</b>	<b>(14,487,410)</b>	<b>12,445,388</b>	<b>26,932,798</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	993,850	993,850	-
Transfers out	(11,253,234)	(11,262,444)	(9,631,761)	1,630,683
<b>Total other financing sources (uses)</b>	<b>(11,253,234)</b>	<b>(10,268,594)</b>	<b>(8,637,911)</b>	<b>1,630,683</b>
<b>Net change in fund balances</b>	<b>(23,677,987)</b>	<b>(24,756,004)</b>	<b>3,807,477</b>	<b>28,563,481</b>
<b>Fund balances, October 1, 2007</b>	<b>23,677,987</b>	<b>24,756,004</b>	<b>24,756,003</b>	<b>(1)</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,563,480</b>	<b>\$ 28,563,480</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Law Enforcement Grants Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 287,303	\$ 7,063,363	\$ 2,753,664	\$ (4,309,699)
Fines and forfeitures	-	-	1,039,812	1,039,812
Investment income	67,500	67,500	158,415	90,915
Miscellaneous	-	186,268	27,553	(158,715)
<b>Total revenues</b>	<b>354,803</b>	<b>7,317,131</b>	<b>3,979,444</b>	<b>(3,337,687)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	98,800	18,438	80,362
Public safety	1,963,597	2,294,514	686,441	1,608,073
Capital outlay	-	1,200	-	1,200
<b>Total expenditures</b>	<b>1,963,597</b>	<b>2,394,514</b>	<b>704,879</b>	<b>1,689,635</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(1,608,794)</b>	<b>4,922,617</b>	<b>3,274,565</b>	<b>(1,648,052)</b>
<b>Other financing sources (uses):</b>				
Transfers in	455,796	566,459	541,805	(24,654)
Transfers out	(662,560)	(8,035,654)	(4,351,410)	3,684,244
<b>Total other financing sources (uses)</b>	<b>(206,764)</b>	<b>(7,469,195)</b>	<b>(3,809,605)</b>	<b>3,659,590</b>
<b>Net change in fund balances</b>	<b>(1,815,558)</b>	<b>(2,546,578)</b>	<b>(535,040)</b>	<b>2,011,538</b>
<b>Fund balances, October 1, 2007</b>	<b>1,815,558</b>	<b>2,546,578</b>	<b>2,529,078</b>	<b>(17,500)</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,994,038</b>	<b>\$ 1,994,038</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
County Transportation Trust Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 10,000	\$ 10,000	\$ 2,355	\$ (7,645)
Special assessments	1,691,656	1,550,000	955,629	(594,371)
Licenses and permits	8,000	8,000	7,155	(845)
Intergovernmental	7,195,652	10,941,636	6,666,911	(4,274,725)
Charges for services	770,000	770,000	922,867	152,867
Investment income	533,719	533,719	583,458	49,739
Miscellaneous	1,360,093	950,893	1,272,784	321,891
<b>Less 5% anticipated revenues</b>	<b>(373,409)</b>	<b>(373,409)</b>	<b>-</b>	<b>373,409</b>
<b>Total revenues</b>	<b>11,195,711</b>	<b>14,390,839</b>	<b>10,411,159</b>	<b>(3,979,680)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Transportation	56,391,306	59,722,638	42,709,023	17,013,615
Economic environment	75,504	75,504	-	75,504
Capital outlay	4,030,007	4,699,650	1,714,841	2,984,809
<b>Total expenditures</b>	<b>60,496,817</b>	<b>64,497,792</b>	<b>44,423,864</b>	<b>20,073,928</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(49,301,106)</b>	<b>(50,106,953)</b>	<b>(34,012,705)</b>	<b>16,094,248</b>
<b>Other financing sources (uses):</b>				
Transfers in	34,633,357	35,617,357	35,817,357	200,000
Transfers out	(54,650)	(152,650)	(152,650)	-
<b>Total other financing sources (uses)</b>	<b>34,578,707</b>	<b>35,464,707</b>	<b>35,664,707</b>	<b>200,000</b>
<b>Net change in fund balances</b>	<b>(14,722,399)</b>	<b>(14,642,246)</b>	<b>1,652,002</b>	<b>16,294,248</b>
Fund balances, October 1, 2007	14,722,399	14,642,246	18,419,176	3,776,930
Increase in reserves, inventory	-	-	(361,252)	(361,252)
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,709,926</b>	<b>\$ 19,709,926</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Municipal Service Taxing District Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and permits	\$ 17,001,000	\$ 17,001,000	\$ 9,613,953	\$ (7,387,047)
Intergovernmental	-	-	4,683	4,683
Charges for services	1,375,000	1,375,000	697,386	(677,614)
Fines and forfeitures	65,000	65,000	62,637	(2,363)
Investment income	595,000	595,000	414,554	(180,446)
Miscellaneous	-	-	2,200	2,200
<b>Less 5% anticipated revenues</b>	<b>(919,300)</b>	<b>(919,300)</b>	<b>-</b>	<b>919,300</b>
<b>Total revenues</b>	<b>18,116,700</b>	<b>18,116,700</b>	<b>10,795,413</b>	<b>(7,321,287)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	30,295,946	28,812,222	17,976,740	10,835,482
Capital outlay	230,600	230,600	8,374	222,226
<b>Total expenditures</b>	<b>30,526,546</b>	<b>29,042,822</b>	<b>17,985,114</b>	<b>11,057,708</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(12,409,846)</b>	<b>(10,926,122)</b>	<b>(7,189,701)</b>	<b>3,736,421</b>
<b>Net change in fund balances</b>	<b>(12,409,846)</b>	<b>(10,926,122)</b>	<b>(7,189,701)</b>	<b>3,736,421</b>
<b>Fund balances, October 1, 2007</b>	<b>12,409,846</b>	<b>10,926,122</b>	<b>10,926,122</b>	<b>-</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,736,421</b>	<b>\$ 3,736,421</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Library Taxing District Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 46,857,406	\$ 46,857,406	\$ 45,152,262	\$ (1,705,144)
Licenses and permits	30,428	30,428	34,590	4,162
Intergovernmental	1,350,772	1,217,892	1,218,526	634
Charges for services	61,047	61,047	47,371	(13,676)
Fines and forfeitures	350,000	350,000	439,732	89,732
Investment income	692,316	692,316	1,346,970	654,654
Miscellaneous	205,500	244,202	243,701	(501)
<b>Less 5% anticipated revenues</b>	<b>(2,439,780)</b>	<b>(2,439,780)</b>	<b>-</b>	<b>2,439,780</b>
<b>Total revenues</b>	<b>47,107,689</b>	<b>47,013,511</b>	<b>48,483,152</b>	<b>1,469,641</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Culture and recreation	42,541,030	43,940,681	34,271,875	9,668,806
Capital outlay	5,110,554	5,303,165	4,702,576	600,589
<b>Total expenditures</b>	<b>47,651,584</b>	<b>49,243,846</b>	<b>38,974,451</b>	<b>10,269,395</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(543,895)</b>	<b>(2,230,335)</b>	<b>9,508,701</b>	<b>11,739,036</b>
<b>Other financing sources (uses):</b>				
Transfers out	(8,613,282)	(13,613,282)	(13,613,282)	-
<b>Total other financing sources (uses)</b>	<b>(8,613,282)</b>	<b>(13,613,282)</b>	<b>(13,613,282)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(9,157,177)</b>	<b>(15,843,617)</b>	<b>(4,104,581)</b>	<b>11,739,036</b>
<b>Fund balances, October 1, 2007</b>	<b>9,157,177</b>	<b>15,843,617</b>	<b>15,843,616</b>	<b>(1)</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,739,035</b>	<b>\$ 11,739,035</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Community & Social Development Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 96,386,168	\$ 114,816,719	\$ 53,575,333	\$ (61,241,386)
Charges for services	400,716	406,716	553,292	146,576
Investment income	313,092	313,092	507,034	193,942
Miscellaneous	1,616,049	1,618,049	1,337,817	(280,232)
<b>Total revenues</b>	<b>98,716,025</b>	<b>117,154,576</b>	<b>55,973,476</b>	<b>(61,181,100)</b>
Expenditures:				
Current:				
Public safety	1,712,475	2,025,500	1,059,183	966,317
Economic environment	56,049,324	73,081,948	21,619,640	51,462,308
Human services	61,405,165	66,867,851	44,452,294	22,415,557
Capital outlay	439,000	928,505	530,761	397,744
Debt service	214,691	214,691	160,802	53,889
<b>Total expenditures</b>	<b>119,820,655</b>	<b>143,118,495</b>	<b>67,822,680</b>	<b>75,295,815</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(21,104,630)</b>	<b>(25,963,919)</b>	<b>(11,849,204)</b>	<b>14,114,715</b>
Other financing sources (uses):				
Transfers in	16,841,596	18,221,289	16,127,294	(2,093,995)
Transfers out	(95,150)	(1,134,150)	(955,814)	178,336
<b>Total other financing sources (uses)</b>	<b>16,746,446</b>	<b>17,087,139</b>	<b>15,171,480</b>	<b>(1,915,659)</b>
<b>Net change in fund balances</b>	<b>(4,358,184)</b>	<b>(8,876,780)</b>	<b>3,322,276</b>	<b>12,199,056</b>
<b>Fund balances, October 1, 2007</b>	<b>4,358,184</b>	<b>8,876,780</b>	<b>1,421,660</b>	<b>(7,455,120)</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,743,936</b>	<b>\$ 4,743,936</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Affordable Housing (SHIP) Trust Fund Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 27,153,573	\$ 14,777,252	\$ 7,426,090	\$ (7,351,162)
Investment income	400,500	400,500	578,909	178,409
Miscellaneous	1,135,000	1,135,000	364,497	(770,503)
<b>Total revenues</b>	<b>28,689,073</b>	<b>16,312,752</b>	<b>8,369,496</b>	<b>(7,943,256)</b>
Expenditures:				
Current:				
Economic environment	28,654,173	29,279,340	10,287,049	18,992,291
Capital outlay	34,900	34,900	11,948	22,952
<b>Total expenditures</b>	<b>28,689,073</b>	<b>29,314,240</b>	<b>10,298,997</b>	<b>19,015,243</b>
Excess of revenues over (under) expenditures	-	(13,001,488)	(1,929,501)	11,071,987
Net change in fund balances	-	(13,001,488)	(1,929,501)	11,071,987
Fund balances, October 1, 2007	-	13,001,488	13,001,488	-
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,071,987</b>	<b>\$ 11,071,987</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Hurricane Housing Recovery Plan Fund Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 3,518,154	\$ -	\$ -	\$ -
Investment income	-	-	72,006	72,006
Miscellaneous	-	-	65,794	65,794
<b>Total revenues</b>	<b>3,518,154</b>	<b>-</b>	<b>137,800</b>	<b>137,800</b>
Expenditures:				
Current:				
Economic environment	3,518,154	2,515,107	2,222,975	292,132
Capital outlay	-	30,000	17,985	12,015
<b>Total expenditures</b>	<b>3,518,154</b>	<b>2,545,107</b>	<b>2,240,960</b>	<b>304,147</b>
Excess of revenues over (under) expenditures	-	(2,545,107)	(2,103,160)	441,947
Net change in fund balances	-	(2,545,107)	(2,103,160)	441,947
Fund balances, October 1, 2007	-	2,545,107	2,545,107	-
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 441,947</b>	<b>\$ 441,947</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Palm Tran Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 13,257,000	\$ 13,257,000	\$ 12,323,260	\$ (933,740)
Intergovernmental	43,604,580	45,273,344	14,068,185	(31,205,159)
Charges for services	11,131,497	11,362,791	10,211,448	(1,151,343)
Investment income	148,526	148,526	282,751	134,225
Miscellaneous	1,213,435	1,213,435	1,137,872	(75,563)
<b>Less 5% anticipated revenues</b>	<b>(1,486,058)</b>	<b>(1,486,058)</b>	<b>-</b>	<b>1,486,058</b>
<b>Total revenues</b>	<b>67,868,980</b>	<b>69,769,038</b>	<b>38,023,516</b>	<b>(31,745,522)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Transportation	81,834,113	83,996,795	74,932,270	9,064,525
Capital outlay	25,260,463	22,660,007	3,173,607	19,486,400
<b>Total expenditures</b>	<b>107,094,576</b>	<b>106,656,802</b>	<b>78,105,877</b>	<b>28,550,925</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(39,225,596)</b>	<b>(36,887,764)</b>	<b>(40,082,361)</b>	<b>(3,194,597)</b>
<b>Other financing sources (uses):</b>				
Transfers in	43,186,687	43,517,689	37,048,260	(6,469,429)
Transfers out	(9,005,009)	(10,058,007)	(345,970)	9,712,037
<b>Total other financing sources (uses)</b>	<b>34,181,678</b>	<b>33,459,682</b>	<b>36,702,290</b>	<b>3,242,608</b>
<b>Net change in fund balances</b>	<b>(5,043,918)</b>	<b>(3,428,082)</b>	<b>(3,380,071)</b>	<b>48,011</b>
<b>Fund balances, October 1, 2007</b>	<b>5,043,918</b>	<b>3,428,082</b>	<b>8,209,364</b>	<b>4,781,282</b>
<b>Increase in reserves, inventory</b>	<b>-</b>	<b>-</b>	<b>260,363</b>	<b>260,363</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,089,656</b>	<b>\$ 5,089,656</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Other Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 33,752,000	\$ 36,529,000	\$ 33,641,516	\$ (2,887,484)
Special assessments	8,653,771	8,653,771	5,309,872	(3,343,899)
Licenses and permits	702,264	702,264	950,616	248,352
Intergovernmental	95,163,247	93,492,722	90,709,759	(2,782,963)
Charges for services	13,905,506	12,761,425	10,841,190	(1,920,235)
Fines and forfeitures	2,828,743	2,828,743	2,900,786	72,043
Investment income	2,357,035	2,357,035	4,390,232	2,033,197
Miscellaneous	1,943,473	2,182,151	2,649,847	467,696
<b>Less 5% anticipated revenues</b>	<b>(6,982,953)</b>	<b>(6,457,953)</b>	<b>-</b>	<b>6,457,953</b>
<b>Total revenues</b>	<b>152,323,086</b>	<b>153,049,158</b>	<b>151,393,818</b>	<b>(1,655,340)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	5,870,537	10,962,274	10,567,335	394,939
Public safety	14,600,360	15,552,581	8,805,859	6,746,722
Physical environment	47,492,616	46,867,561	4,745,605	42,121,956
Economic environment	1,730,684	2,100,833	533,795	1,567,038
Human services	1,078,944	1,112,418	685,344	427,074
Culture and recreation	6,638,741	6,616,138	4,647,832	1,968,306
Capital outlay	13,038,470	21,469,857	8,727,061	12,742,796
<b>Total expenditures</b>	<b>90,450,352</b>	<b>104,681,662</b>	<b>38,712,831</b>	<b>65,968,831</b>
<b>Excess of revenues over (under) expenditures</b>	<b>61,872,734</b>	<b>48,367,496</b>	<b>112,680,987</b>	<b>64,313,491</b>
<b>Other financing sources (uses):</b>				
Transfers in	3,738,686	3,488,790	3,263,099	(225,691)
Transfers out	(110,627,041)	(107,390,717)	(98,319,625)	9,071,092
<b>Total other financing sources (uses)</b>	<b>(106,888,355)</b>	<b>(103,901,927)</b>	<b>(95,056,526)</b>	<b>8,845,401</b>
<b>Net change in fund balances</b>	<b>(45,015,621)</b>	<b>(55,534,431)</b>	<b>17,624,461</b>	<b>73,158,892</b>
Fund balances, October 1, 2007	45,015,621	55,534,431	64,953,330	9,418,899
<b>Decrease in reserves, inventory</b>	<b>-</b>	<b>-</b>	<b>(3,181)</b>	<b>(3,181)</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 82,574,610</b>	<b>\$ 82,574,610</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Clerk & Comptroller Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 640,744	\$ 640,744	\$ 661,642	\$ 20,898
Charges for services	48,689,470	46,564,470	40,528,864	(6,035,606)
Fines and forfeitures	7,438,512	7,438,512	6,370,920	(1,067,592)
Investment income	1,220,193	1,560,193	846,454	(713,739)
Miscellaneous	2,791,431	2,791,431	2,791,428	(3)
<b>Total revenues</b>	<b>60,780,350</b>	<b>58,995,350</b>	<b>51,199,308</b>	<b>(7,796,042)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	73,308,183	74,471,610	69,593,173	4,878,437
Capital outlay	2,236,012	929,322	737,982	191,340
<b>Total expenditures</b>	<b>75,544,195</b>	<b>75,400,932</b>	<b>70,331,155</b>	<b>5,069,777</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(14,763,845)</b>	<b>(16,405,582)</b>	<b>(19,131,847)</b>	<b>(2,726,265)</b>
<b>Other financing sources (uses):</b>				
Transfers in	17,320,704	17,320,704	16,957,072	(363,632)
Transfers out	(2,000,000)	(2,143,263)	(646,941)	1,496,322
<b>Total other financing sources (uses)</b>	<b>15,320,704</b>	<b>15,177,441</b>	<b>16,310,131</b>	<b>1,132,690</b>
<b>Net change in fund balances</b>	<b>556,859</b>	<b>(1,228,141)</b>	<b>(2,821,716)</b>	<b>(1,593,575)</b>
<b>Fund balances, October 1, 2007</b>	<b>19,801,666</b>	<b>19,801,666</b>	<b>19,801,666</b>	<b>-</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ 20,358,525</b>	<b>\$ 18,573,525</b>	<b>\$ 16,979,950</b>	<b>\$ (1,593,575)</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Tax Collector Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 62,959,200	\$ 61,339,200	\$ 65,133,926	\$ 3,794,726
Less - excess fees paid out	(43,276,478)	(41,356,478)	(46,539,258)	(5,182,780)
Investment income	1,500,000	1,200,000	1,151,068	(48,932)
<b>Total revenues</b>	<b>21,182,722</b>	<b>21,182,722</b>	<b>19,745,736</b>	<b>(1,436,986)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	20,852,947	20,944,267	19,602,071	1,342,196
Capital outlay	329,775	238,455	143,665	94,790
Debt service	-	-	-	-
<b>Total expenditures</b>	<b>21,182,722</b>	<b>21,182,722</b>	<b>19,745,736</b>	<b>1,436,986</b>
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2007	-	-	-	-
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Property Appraiser Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 24,021,614	\$ 24,021,614	\$ 24,090,253	\$ 68,639
Less - excess fees paid out	-	-	(2,446,944)	(2,446,944)
Investment income	-	-	151,615	151,615
<b>Total revenues</b>	<b>24,021,614</b>	<b>24,021,614</b>	<b>21,794,924</b>	<b>(2,226,690)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	23,955,280	23,955,280	21,734,541	2,220,739
Capital outlay	61,750	61,750	55,799	5,951
Debt service	4,584	4,584	4,584	-
<b>Total expenditures</b>	<b>24,021,614</b>	<b>24,021,614</b>	<b>21,794,924</b>	<b>2,226,690</b>
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2007	-	-	-	-
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Supervisor of Elections Special Revenue Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 359,012	\$ 359,012
Charges for services	-	-	249,498	249,498
Investment income	-	-	131,462	131,462
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>739,972</b>	<b>739,972</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	11,048,444	11,048,444	10,164,061	884,383
Capital outlay	180,000	180,000	322,973	(142,973)
<b>Total expenditures</b>	<b>11,228,444</b>	<b>11,228,444</b>	<b>10,487,034</b>	<b>741,410</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(11,228,444)</b>	<b>(11,228,444)</b>	<b>(9,747,062)</b>	<b>1,481,382</b>
<b>Other financing sources (uses):</b>				
Transfers in	11,228,444	11,228,444	11,228,444	-
Transfers out	-	-	(1,481,382)	(1,481,382)
<b>Total other financing sources (uses)</b>	<b>11,228,444</b>	<b>11,228,444</b>	<b>9,747,062</b>	<b>(1,481,382)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, October 1, 2007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

PALM BEACH COUNTY, FLORIDA  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 General Obligation Bonds Debt Service Fund  
 For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 38,457,064	\$ 38,457,064	\$ 37,081,976	\$ (1,375,088)
Intergovernmental	-	-	181	181
Investment income	-	-	743,917	743,917
Less 5% anticipated revenues	(1,920,278)	(1,920,278)	-	1,920,278
<b>Total revenues</b>	<b>36,536,786</b>	<b>36,536,786</b>	<b>37,826,074</b>	<b>1,289,288</b>
Expenditures:				
Debt service	39,525,953	40,515,779	38,523,557	1,992,222
<b>Total expenditures</b>	<b>39,525,953</b>	<b>40,515,779</b>	<b>38,523,557</b>	<b>1,992,222</b>
Excess of revenues over (under) expenditures	(2,989,167)	(3,978,993)	(697,483)	3,281,510
Net change in fund balances	(2,989,167)	(3,978,993)	(697,483)	3,281,510
Fund balances, October 1, 2007	2,989,167	3,978,993	3,978,991	(2)
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,281,508</b>	<b>\$ 3,281,508</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Revenue Bonds Debt Service Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 316,906	\$ 316,906
Miscellaneous	3,261,741	110,744	110,744	-
<b>Total revenues</b>	<b>3,261,741</b>	<b>110,744</b>	<b>427,650</b>	<b>316,906</b>
Expenditures:				
Debt service	71,718,429	96,998,031	68,868,550	28,129,481
<b>Total expenditures</b>	<b>71,718,429</b>	<b>96,998,031</b>	<b>68,868,550</b>	<b>28,129,481</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(68,456,688)</b>	<b>(96,887,287)</b>	<b>(68,440,900)</b>	<b>28,446,387</b>
Other financing sources (uses):				
Transfers in	61,371,492	86,472,573	85,651,551	(821,022)
Transfers out	-	(37,116,356)	(37,115,925)	431
Issuance of refunding debt	-	37,239,597	37,239,596	(1)
<b>Total other financing sources (uses)</b>	<b>61,371,492</b>	<b>86,595,814</b>	<b>85,775,222</b>	<b>(820,592)</b>
<b>Net change in fund balances</b>	<b>(7,085,196)</b>	<b>(10,291,473)</b>	<b>17,334,322</b>	<b>27,625,795</b>
<b>Fund balances, October 1, 2007</b>	<b>7,085,196</b>	<b>10,291,473</b>	<b>10,291,474</b>	<b>1</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,625,796</b>	<b>\$ 27,625,796</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Other Financing Debt Service Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 85,652	\$ 85,652
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>85,652</b>	<b>85,652</b>
Expenditures:				
Debt service	13,816,623	28,174,049	14,758,070	13,415,979
<b>Total expenditures</b>	<b>13,816,623</b>	<b>28,174,049</b>	<b>14,758,070</b>	<b>13,415,979</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(13,816,623)</b>	<b>(28,174,049)</b>	<b>(14,672,418)</b>	<b>13,501,631</b>
Other financing sources (uses):				
Transfers in	12,090,411	55,169,308	51,513,389	(3,655,919)
Transfers out	-	(124,454)	(124,454)	-
Payment to escrow agent for refunding	-	(29,384,195)	(37,115,938)	(7,731,743)
<b>Total other financing sources (uses)</b>	<b>12,090,411</b>	<b>25,660,659</b>	<b>14,272,997</b>	<b>(11,387,662)</b>
<b>Net change in fund balances</b>	<b>(1,726,212)</b>	<b>(2,513,390)</b>	<b>(399,421)</b>	<b>2,113,969</b>
<b>Fund balances, October 1, 2007</b>	<b>1,726,212</b>	<b>2,513,390</b>	<b>3,615,315</b>	<b>1,101,925</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,215,894</b>	<b>\$ 3,215,894</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Criminal Justice Capital Projects Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 250,000	\$ 250,000	\$ 224,684	\$ (25,316)
Investment income	459,476	459,476	2,929,357	2,469,881
Less 5% anticipated revenues	(35,472)	(35,472)	-	35,472
<b>Total revenues</b>	<b>674,004</b>	<b>674,004</b>	<b>3,154,041</b>	<b>2,480,037</b>
Expenditures:				
Current:				
General government	521,177	201,168	43,557	157,611
Public safety	15,693	41	41	-
Capital outlay	13,756,218	176,451,929	19,412,928	157,039,001
Debt service	12,138	21,980,155	1,671,906	20,308,249
<b>Total expenditures</b>	<b>14,305,226</b>	<b>198,633,293</b>	<b>21,128,432</b>	<b>177,504,861</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(13,631,222)</b>	<b>(197,959,289)</b>	<b>(17,974,391)</b>	<b>179,984,898</b>
Other financing sources (uses):				
Transfers out	(33,637)	(46,515,339)	(22,695,489)	23,819,850
Issuance of long-term debt	-	231,686,500	211,660,000	(20,026,500)
Premium (discount) long-term debt	-	1,508,526	1,508,526	-
<b>Total other financing sources (uses)</b>	<b>(33,637)</b>	<b>186,679,687</b>	<b>190,473,037</b>	<b>3,793,350</b>
<b>Net change in fund balances</b>	<b>(13,664,859)</b>	<b>(11,279,602)</b>	<b>172,498,646</b>	<b>183,778,248</b>
<b>Fund balances, October 1, 2007</b>	<b>13,664,859</b>	<b>11,279,602</b>	<b>11,279,602</b>	<b>-</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 183,778,248</b>	<b>\$ 183,778,248</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Environmental Lands Capital Projects Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental	2,469,403	5,421,458	2,847,022	(2,574,436)
Charges for services	49,285	-	199,570	199,570
Fines and forfeitures	70,000	70,000	20,420	(49,580)
Investment income	856,005	856,005	1,024,673	168,668
Miscellaneous	-	-	15,629	15,629
<b>Less 5% anticipated revenues</b>	<b>(45,975)</b>	<b>(45,975)</b>	<b>-</b>	<b>45,975</b>
<b>Total revenues</b>	<b>3,398,718</b>	<b>6,301,488</b>	<b>4,107,316</b>	<b>(2,194,172)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	3,980	4,020	2,082	1,938
Physical environment	23,913,017	27,891,926	5,819,200	22,072,726
Culture and recreation	27,165	49,400	45,000	4,400
Capital outlay	4,733,094	13,879,428	12,673,216	1,206,212
Debt service	-	20,345	37,236	(16,891)
<b>Total expenditures</b>	<b>28,677,256</b>	<b>41,845,119</b>	<b>18,576,734</b>	<b>23,268,385</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(25,278,538)</b>	<b>(35,543,631)</b>	<b>(14,469,418)</b>	<b>21,074,213</b>
<b>Other financing sources (uses):</b>				
Transfers in	3,214,066	3,214,066	3,206,131	(7,935)
Transfers out	(10,000)	(219,578)	(10,404)	209,174
Issuance of long-term debt	-	11,890,000	11,697,676	(192,324)
<b>Total other financing sources (uses)</b>	<b>3,204,066</b>	<b>14,884,488</b>	<b>14,893,403</b>	<b>8,915</b>
<b>Net change in fund balances</b>	<b>(22,074,472)</b>	<b>(20,659,143)</b>	<b>423,985</b>	<b>21,083,128</b>
<b>Fund balances, October 1, 2007</b>	<b>22,074,472</b>	<b>20,659,143</b>	<b>20,659,144</b>	<b>1</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,083,129</b>	<b>\$ 21,083,129</b>

PALM BEACH COUNTY, FLORIDA  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Fire Rescue Capital Projects Fund  
 For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 978,003	\$ 978,003	\$ 957,683	\$ (20,320)
Charges for services	-	-	3,700	3,700
Investment income	825,000	825,000	2,964,240	2,139,240
Miscellaneous	350,000	350,000	1,122,502	772,502
Less 5% anticipated revenues	(90,150)	(90,150)	-	90,150
<b>Total revenues</b>	<b>2,062,853</b>	<b>2,062,853</b>	<b>5,048,125</b>	<b>2,985,272</b>
Expenditures:				
Current:				
Public safety	1,557,159	1,764,572	221,908	1,542,664
Capital outlay	73,513,001	69,674,578	24,988,306	44,686,272
<b>Total expenditures</b>	<b>75,070,160</b>	<b>71,439,150</b>	<b>25,210,214</b>	<b>46,228,936</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(73,007,307)</b>	<b>(69,376,297)</b>	<b>(20,162,089)</b>	<b>49,214,208</b>
Other financing sources (uses):				
Transfers in	10,180,000	10,180,000	10,180,000	-
<b>Total other financing sources (uses)</b>	<b>10,180,000</b>	<b>10,180,000</b>	<b>10,180,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(62,827,307)</b>	<b>(59,196,297)</b>	<b>(9,982,089)</b>	<b>49,214,208</b>
<b>Fund balances, October 1, 2007</b>	<b>62,827,307</b>	<b>59,196,297</b>	<b>59,196,297</b>	<b>-</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,214,208</b>	<b>\$ 49,214,208</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Major Fund - General Government Capital Projects Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ -	\$ -	\$ 81	\$ 81
Special assessments	1,000,000	1,112,408	1,010,396	(102,012)
Intergovernmental	6,050,155	22,068,500	3,761,370	(18,307,130)
Charges for services	3,000,000	4,160,101	3,531,006	(629,095)
Fines and forfeitures	900,000	900,000	1,049,334	149,334
Investment income	5,466,273	8,203,023	12,315,637	4,112,614
Miscellaneous	45,250	2,848,896	3,223,507	374,611
<b>Less 5% anticipated revenues</b>	<b>(433,265)</b>	<b>(433,265)</b>	<b>-</b>	<b>433,265</b>
<b>Total revenues</b>	<b>16,028,413</b>	<b>38,859,663</b>	<b>24,891,331</b>	<b>(13,968,332)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	78,712,160	172,139,592	25,404,570	146,735,022
Public safety	959,581	525,340	169,783	355,557
Physical environment	5,765,618	7,189,259	875,571	6,313,688
Transportation	2,132,582	1,653,670	624,705	1,028,965
Economic environment	1,985,616	42,178,933	90,680,397	(48,501,464)
Human services	95,976	95,976	-	95,976
Capital outlay	217,676,982	135,360,329	32,335,993	103,024,336
Debt service	960,356	19,236,535	1,630,099	17,606,436
<b>Total expenditures</b>	<b>308,288,871</b>	<b>378,379,634</b>	<b>151,721,118</b>	<b>226,658,516</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(292,260,458)</b>	<b>(339,519,971)</b>	<b>(126,829,787)</b>	<b>212,690,184</b>
<b>Other financing sources (uses):</b>				
Transfers in	26,574,414	36,536,126	24,955,677	(11,580,449)
Transfers out	(1,090,105)	(16,536,045)	(16,534,792)	1,253
Issuance of long-term debt	-	98,080,000	81,568,330	(16,511,670)
Premium (discount) long-term debt	-	4,734,897	3,937,782	(797,115)
Issuance of refunding debt	-	-	16,511,670	16,511,670
Premium (discount) refunding debt	-	-	797,115	797,115
Payment to escrow agent for refunding	-	-	(17,069,579)	(17,069,579)
<b>Total other financing sources (uses)</b>	<b>25,484,309</b>	<b>122,814,978</b>	<b>94,166,203</b>	<b>(28,648,775)</b>
<b>Net change in fund balances</b>	<b>(266,776,149)</b>	<b>(216,704,993)</b>	<b>(32,663,584)</b>	<b>184,041,409</b>
<b>Fund balances, October 1, 2007</b>	<b>266,776,149</b>	<b>216,704,993</b>	<b>218,758,296</b>	<b>2,053,303</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 186,094,712</b>	<b>\$ 186,094,712</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Libraries Capital Projects Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ 41	\$ 41
Special assessments	300,000	300,000	190,046	(109,954)
Intergovernmental	700,000	1,200,000	150,000	(1,050,000)
Investment income	3,410,391	3,410,391	3,687,614	277,223
Miscellaneous	-	-	3,300	3,300
Less 5% anticipated revenues	(185,520)	(185,520)	-	185,520
<b>Total revenues</b>	<b>4,224,871</b>	<b>4,724,871</b>	<b>4,031,001</b>	<b>(693,870)</b>
Expenditures:				
Current:				
Public safety	164,818	-	-	-
Culture and recreation	138,823	2,113,664	427,914	1,685,750
Capital outlay	93,179,556	91,928,988	22,959,429	68,969,559
Debt service	44,961	1,138,530	1,093,569	44,961
<b>Total expenditures</b>	<b>93,528,158</b>	<b>95,181,182</b>	<b>24,480,912</b>	<b>70,700,270</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(89,303,287)</b>	<b>(90,456,311)</b>	<b>(20,449,911)</b>	<b>70,006,400</b>
Other financing sources (uses):				
Transfers in	8,613,282	13,613,282	13,613,282	-
<b>Total other financing sources (uses)</b>	<b>8,613,282</b>	<b>13,613,282</b>	<b>13,613,282</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(80,690,005)</b>	<b>(76,843,029)</b>	<b>(6,836,629)</b>	<b>70,006,400</b>
<b>Fund balances, October 1, 2007</b>	<b>80,690,005</b>	<b>76,843,029</b>	<b>76,843,031</b>	<b>2</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,006,402</b>	<b>\$ 70,006,402</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Parks and Recreation Capital Projects Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Special assessments	\$ 2,955,600	\$ 2,955,600	\$ 2,231,825	\$ (723,775)
Intergovernmental	2,028,604	6,315,604	840,465	(5,475,139)
Charges for services	200,000	200,000	10,578	(189,422)
Investment income	4,871,500	4,871,500	4,823,798	(47,702)
Miscellaneous	250,000	1,849,313	101,093	(1,748,220)
<b>Less 5% anticipated revenues</b>	<b>(391,355)</b>	<b>(391,355)</b>	<b>-</b>	<b>391,355</b>
<b>Total revenues</b>	<b>9,914,349</b>	<b>15,800,662</b>	<b>8,007,759</b>	<b>(7,792,903)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	11,888,938	5,087,356	5,327,210	(239,854)
Public safety	1,188,982	826,716	549,715	277,001
Economic environment	351	227	228	(1)
Culture and recreation	37,573,262	34,866,948	6,366,925	28,500,023
Capital outlay	79,593,656	78,125,993	23,518,446	54,607,547
Debt service	51,084	617,413	566,328	51,085
<b>Total expenditures</b>	<b>130,296,273</b>	<b>119,524,653</b>	<b>36,328,852</b>	<b>83,195,801</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(120,381,924)</b>	<b>(103,723,991)</b>	<b>(28,321,093)</b>	<b>75,402,898</b>
<b>Other financing sources (uses):</b>				
Transfers in	1,100,000	2,499,420	2,499,420	-
Transfers out	-	(467,259)	(467,259)	-
<b>Total other financing sources (uses)</b>	<b>1,100,000</b>	<b>2,032,161</b>	<b>2,032,161</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(119,281,924)</b>	<b>(101,691,830)</b>	<b>(26,288,932)</b>	<b>75,402,898</b>
<b>Fund balances, October 1, 2007</b>	<b>119,281,924</b>	<b>101,691,830</b>	<b>101,691,832</b>	<b>2</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,402,900</b>	<b>\$ 75,402,900</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Major Fund - Road Program Capital Projects Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes (net of discount)	\$ 36,456,000	\$ 36,456,000	\$ 33,743,071	\$ (2,712,929)
Special assessments	21,135,714	23,666,462	19,026,479	(4,639,983)
Intergovernmental	35,174,496	56,699,232	13,870,421	(42,828,811)
Charges for services	1,220,300	1,220,300	1,106,090	(114,210)
Investment income	9,096,430	9,096,430	19,395,145	10,298,715
Miscellaneous	11,300,860	6,918,185	2,977,846	(3,940,339)
<b>Less 5% anticipated revenues</b>	<b>(3,724,921)</b>	<b>(3,724,921)</b>	<b>-</b>	<b>3,724,921</b>
<b>Total revenues</b>	<b>110,658,879</b>	<b>130,331,688</b>	<b>90,119,052</b>	<b>(40,212,636)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	5,511,415	5,512,569	5,322,302	190,267
Transportation	20,849,381	22,953,322	10,729,858	12,223,464
Economic environment	630,038	630,038	-	630,038
Culture and recreation	1,000,000	1,000,000	500,000	500,000
Capital outlay	456,332,181	459,123,883	54,739,281	404,384,602
<b>Total expenditures</b>	<b>484,323,015</b>	<b>489,219,812</b>	<b>71,291,441</b>	<b>417,928,371</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(373,664,136)</b>	<b>(358,888,124)</b>	<b>18,827,611</b>	<b>377,715,735</b>
<b>Other financing sources (uses):</b>				
Transfers in	804,650	804,650	804,650	-
Transfers out	(24,209,159)	(26,689,979)	(26,689,979)	-
<b>Total other financing sources (uses)</b>	<b>(23,404,509)</b>	<b>(25,885,329)</b>	<b>(25,885,329)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(397,068,645)</b>	<b>(384,773,453)</b>	<b>(7,057,718)</b>	<b>377,715,735</b>
<b>Fund balances, October 1, 2007</b>	<b>397,068,645</b>	<b>384,773,453</b>	<b>384,773,452</b>	<b>(1)</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 377,715,734</b>	<b>\$ 377,715,734</b>

PALM BEACH COUNTY, FLORIDA  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Street and Drainage Capital Projects Fund  
For the fiscal year ended September 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 1,205,000	\$ 1,205,000	\$ 556,492	\$ (648,508)
Investment income	626,000	626,000	924,236	298,236
Miscellaneous	20,155	99,220	62,680	(36,540)
Less 5% anticipated revenues	(91,450)	(91,450)	-	91,450
<b>Total revenues</b>	<b>1,759,705</b>	<b>1,838,770</b>	<b>1,543,408</b>	<b>(295,362)</b>
Expenditures:				
Current:				
Transportation	1,197,111	529,754	318,710	211,044
Economic environment	14	79,065	61,680	17,385
Capital outlay	13,660,056	14,802,669	2,842,425	11,960,244
<b>Total expenditures</b>	<b>14,857,181</b>	<b>15,411,488</b>	<b>3,222,815</b>	<b>12,188,673</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(13,097,476)</b>	<b>(13,572,718)</b>	<b>(1,679,407)</b>	<b>11,893,311</b>
Other financing sources (uses):				
Transfers in	-	1,429,738	1,429,738	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,429,738</b>	<b>1,429,738</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(13,097,476)</b>	<b>(12,142,980)</b>	<b>(249,669)</b>	<b>11,893,311</b>
<b>Fund balances, October 1, 2007</b>	<b>13,097,476</b>	<b>12,142,980</b>	<b>12,142,980</b>	<b>-</b>
<b>Fund balances, September 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,893,311</b>	<b>\$ 11,893,311</b>



## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

**Fleet Management** - To account for the cost of operations for the repair and maintenance of County owned/leased vehicles and equipment as well as interdepartmental rental of cars, trucks and specialized equipment and automated fuel service. Such costs are billed to user departments at estimated cost of operations including equipment replacement and additions.

**Graphics** - To account for the costs of operating the County printing and copying services facility. Such costs are billed to user departments at estimated cost of operations including equipment replacement and additions.

**Combined Insurance Fund** - To account for the assessed premiums, claims and administration of the County's Risk Management Department for general, auto and property liability, employee group health, and Workers' Compensation.

**ISS** - To account for the costs of operating the County Data Processing Facility. Such costs are billed to user departments at estimated cost of operations including equipment replacement and additions.

**Clerk & Comptroller Insurance Fund** - To account for the assessed premiums, claims and administration of the Clerk & Comptroller's employee group health insurance program.

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Net Assets  
Internal Service Funds  
September 30, 2008

	Fleet Management	Graphics	Combined Insurance Fund	ISS	Clerk & Comptroller Insurance Fund	Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 9,305,377	\$ 150	\$ 82,395,140	\$ 5,464,431	\$ 2,662,748	\$ 99,827,846
Accounts receivable, net	29,309	319	1,630,176	6,116	334,504	2,000,424
Due from other county funds	3,013,983	597	2,263,575	975,437	479,314	6,732,906
Due from other governments	203,322	4,765	65,345	35,890	-	309,322
Due from component unit	-	-	3,706	-	-	3,706
Inventory	1,272,859	62,956	-	-	-	1,335,815
Other assets	13,797	-	4,313,193	100,252	-	4,427,242
<b>Total current assets</b>	<b>13,838,647</b>	<b>68,787</b>	<b>90,671,135</b>	<b>6,582,126</b>	<b>3,476,566</b>	<b>114,637,261</b>
Capital assets:						
Buildings	127,632	-	-	-	-	127,632
Improvements other than buildings	512,286	-	-	-	-	512,286
Furniture, fixtures and equipment	63,063,352	564,792	333,689	34,879,731	-	98,841,564
Accumulated depreciation	(35,634,412)	(556,758)	(305,935)	(30,650,209)	-	(67,147,314)
<b>Total assets</b>	<b>41,907,505</b>	<b>76,821</b>	<b>90,698,889</b>	<b>10,811,648</b>	<b>3,476,566</b>	<b>146,971,429</b>
<b>LIABILITIES</b>						
Current liabilities:						
Vouchers payable and accrued liabilities	1,259,147	56,325	395,794	1,403,861	-	3,115,127
Due to other county funds	34,396	251,011	445	99,503	42,730	428,085
Due to other governments	1,111	-	234,210	3,017	-	238,338
Current portion of long-term debt	-	-	-	205,825	-	205,825
Insurance claims payable	-	-	24,510,856	-	752,000	25,262,856
Other liabilities	680,801	30,934	382,902	2,833,172	7,124	3,934,933
<b>Total current liabilities</b>	<b>1,975,455</b>	<b>338,270</b>	<b>25,524,207</b>	<b>4,545,378</b>	<b>801,854</b>	<b>33,185,164</b>
Other long-term liabilities	-	-	27,693,000	105,812	-	27,798,812
<b>Total liabilities</b>	<b>1,975,455</b>	<b>338,270</b>	<b>53,217,207</b>	<b>4,651,190</b>	<b>801,854</b>	<b>60,983,976</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	28,068,858	8,034	27,754	3,914,980	-	32,019,626
Unrestricted	11,863,192	(269,483)	37,453,928	2,245,478	2,674,712	53,967,827
<b>Total net assets (deficit)</b>	<b>\$ 39,932,050</b>	<b>\$(261,449)</b>	<b>\$ 37,481,682</b>	<b>\$ 6,160,458</b>	<b>\$ 2,674,712</b>	<b>\$ 85,987,453</b>

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Internal Service Funds  
For the fiscal year ended September 30, 2008

	Fleet Management	Graphics	Combined Insurance Fund	ISS	Clerk & Comptroller Insurance Fund	Total
Operating revenues:						
Charges for services	\$ 34,931,451	\$ 1,010,586	\$ 78,216,654	\$ 30,703,497	\$ 8,431,476	\$ 153,293,664
<b>Total operating revenues</b>	<b>34,931,451</b>	<b>1,010,586</b>	<b>78,216,654</b>	<b>30,703,497</b>	<b>8,431,476</b>	<b>153,293,664</b>
Operating expenses:						
Transportation services	24,795,506	-	-	-	-	24,795,506
Printing services	-	1,347,444	-	-	-	1,347,444
Self-insurance services	-	-	81,569,082	-	8,401,248	89,970,330
Data processing services	-	-	-	31,684,399	-	31,684,399
Depreciation and amortization	8,279,426	10,941	11,606	3,820,572	-	12,122,545
<b>Total operating expenses</b>	<b>33,074,932</b>	<b>1,358,385</b>	<b>81,580,688</b>	<b>35,504,971</b>	<b>8,401,248</b>	<b>159,920,224</b>
<b>Operating income (loss)</b>	<b>1,856,519</b>	<b>(347,799)</b>	<b>(3,364,034)</b>	<b>(4,801,474)</b>	<b>30,228</b>	<b>(6,626,560)</b>
Nonoperating revenues (expenses):						
Investment income	391,404	-	4,132,763	185,602	84,484	4,794,253
Interest expense	-	(6,509)	-	(14,410)	-	(20,919)
Other revenues	1,022,713	150	1,253,773	201,148	-	2,477,784
<b>Total nonoperating revenues (expenses)</b>	<b>1,414,117</b>	<b>(6,359)</b>	<b>5,386,536</b>	<b>372,340</b>	<b>84,484</b>	<b>7,251,118</b>
<b>Income (loss) before contributions and transfers</b>	<b>3,270,636</b>	<b>(354,158)</b>	<b>2,022,502</b>	<b>(4,429,134)</b>	<b>114,712</b>	<b>624,558</b>
Capital contributions	-	-	-	1,882,622	-	1,882,622
Transfers out	(354,252)	-	-	-	-	(354,252)
<b>Change in net assets</b>	<b>2,916,384</b>	<b>(354,158)</b>	<b>2,022,502</b>	<b>(2,546,512)</b>	<b>114,712</b>	<b>2,152,928</b>
<b>Net Assets October 1, 2007, restated</b>	<b>37,015,666</b>	<b>92,709</b>	<b>35,459,180</b>	<b>8,706,970</b>	<b>2,560,000</b>	<b>83,834,525</b>
<b>Net Assets (deficit), September 30, 2008</b>	<b>\$ 39,932,050</b>	<b>\$ (261,449)</b>	<b>\$ 37,481,682</b>	<b>\$ 6,160,458</b>	<b>\$ 2,674,712</b>	<b>\$ 85,987,453</b>

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Cash Flows  
Internal Service Funds  
For the fiscal year ended September 30, 2008

	Fleet Management	Graphics
Cash flows from operating activities:		
Cash received from customers	\$ 1,907,393	\$ 94,336
Cash received from other funds for goods and services	32,424,648	924,276
Cash payments to vendors for goods and services	(17,750,033)	(644,084)
Cash payments to employees for services	(5,563,214)	(582,353)
Cash payments to other funds	(1,626,239)	(110,305)
Claims paid	-	-
Other receipts	163,765	-
<b>Net cash provided by (used in) operating activities</b>	<b>9,556,320</b>	<b>(318,130)</b>
Cash flows from noncapital financing activities:		
Proceeds from interfund loan	-	246,636
Transfers out	(354,252)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(354,252)</b>	<b>246,636</b>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	1,696,792	150
Purchase and construction of capital assets	(8,867,599)	-
Principal payments on debt	-	-
Interest payments on debt	-	(6,509)
<b>Net cash (used in) capital and related financing activities</b>	<b>(7,170,807)</b>	<b>(6,359)</b>
Cash flows from investing activities:		
Interest on investments	391,404	-
<b>Net cash provided by investing activities</b>	<b>391,404</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,422,665</b>	<b>(77,853)</b>
<b>Cash and cash equivalents, October 1, 2007</b>	<b>6,882,712</b>	<b>78,003</b>
<b>Cash and cash equivalents, September 30, 2008</b>	<b>\$ 9,305,377</b>	<b>\$ 150</b>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 1,856,519	\$ (347,799)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	8,279,426	10,941
Miscellaneous revenue	163,765	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(12,615)	634
(Increase) decrease in due from other county funds	(619,025)	1,593
Decrease in due from other governments	32,229	5,800
(Increase) in inventory	(395,052)	(16,517)
(Increase) decrease in other assets	(13,797)	-
(Increase) decrease in due from component unit	-	-
Increase (decrease) in vouchers payable and accrued liabilities	205,185	25,082
Increase (decrease) in due to other county funds	142	(2,654)
Increase (decrease) in due to other governments	1,111	-
Increase in other current liabilities	58,432	4,790
Increase in insurance claims payable	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 9,556,320</b>	<b>\$ (318,130)</b>
Supplemental disclosure of noncash capital and related financing activities:		
Contribution of capital assets	\$ -	\$ -
Disposal of fully depreciated capital assets	\$ 4,414,397	\$ 1,423

Combined Insurance Fund	ISS	Clerk & Comptroller Insurance Fund	Total
\$ 6,641,563	\$ 48,482	\$ 961,509	\$ 9,653,283
69,822,909	32,527,478	7,056,839	142,756,150
(12,064,494)	(11,101,891)	(1,413,516)	(42,974,018)
(2,665,745)	(18,616,313)	(42,730)	(27,470,355)
(1,429,959)	(1,593,615)	-	(4,760,118)
(62,922,903)	-	(6,769,016)	(69,691,919)
1,255,306	164,422	-	1,583,493
(1,363,323)	1,428,563	(206,914)	9,096,516
-	-	-	246,636
-	-	-	(354,252)
-	-	-	(107,616)
10	8,031	-	1,704,983
(26,364)	(128,145)	-	(9,022,108)
-	(198,332)	-	(198,332)
-	(16,256)	-	(22,765)
(26,354)	(334,702)	-	(7,538,222)
4,132,763	185,602	84,484	4,794,253
4,132,763	185,602	84,484	4,794,253
2,743,086	1,279,463	(122,430)	6,244,931
79,652,054	4,184,968	2,785,178	93,582,915
\$ 82,395,140	\$ 5,464,431	\$ 2,662,748	\$ 99,827,846
\$ (3,364,034)	\$ (4,801,474)	\$ 30,228	\$ (6,626,560)
11,606	3,820,572	-	12,122,545
1,255,306	164,422	-	1,583,493
(1,607,980)	(2,621)	(334,504)	(1,957,086)
(131,840)	1,871,506	(180,089)	942,145
216	-	-	38,245
-	-	-	(411,569)
1,078,378	(10,114)	101,465	1,155,932
(893)	3,579	-	2,686
(1,362,551)	119,445	(1,140)	(1,013,979)
(57,984)	22,884	(42,874)	(80,486)
(51,842)	2,677	-	(48,054)
54,404	237,687	-	355,313
2,813,891	-	220,000	3,033,891
\$ (1,363,323)	\$ 1,428,563	\$ (206,914)	\$ 9,096,516
\$ -	\$ 1,882,622	\$ -	\$ 1,882,622
\$ 5,240	\$ 1,028,325	\$ -	\$ 5,449,385



## AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations and other governments.

**Board of County Commissioners** - To account for the assets held by the Board as an agent for individuals, organizations or other governments. These funds include: cash bonds, purchasing bid bonds, security deposits, and various payroll liabilities.

**Sheriff** - To account for the assets held by the Sheriff as an agent for individuals, organizations or other governments. These funds include: cash bonds, evidence and suspense.

**Clerk & Comptroller** - To account for the assets held by the Clerk of the Courts as an agent for individuals, organizations and other governments. These funds include: fines and forfeitures, jury and witness, tax deed, registry of court, probate, support and general agency.

**Tax Collector** - To account for the assets held by the Tax Collector as an agent for individuals, organizations or other governments. These funds include: ad-valorem and non ad-valorem tax payments and license and registration payments.

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Fiduciary Net Assets - Agency Funds  
September 30, 2008

AGENCY FUNDS					
	Board of County Commissioners	Sheriff	Clerk & Comptroller	Tax Collector	Total Agency Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,899,078	\$ -	\$ 24,020,447	\$ 43,488,457	\$ 74,407,982
Accounts receivable, net	729	379,916	336,447	116,252	833,344
Due from other county funds	-	-	-	-	-
Due from other governments	73,863	461,674	101,737	-	637,274
Other assets	-	349	-	-	349
<b>Total assets</b>	<b>\$ 6,973,670</b>	<b>\$ 841,939</b>	<b>\$ 24,458,631</b>	<b>\$ 43,604,709</b>	<b>\$ 75,878,949</b>
<b>LIABILITIES</b>					
Vouchers payable and accrued liabilities	\$ 3,671,231	\$ 54,281	\$ -	\$ 383,866	\$ 4,109,378
Due to other county funds	-	-	-	-	-
Due to other governments	439,437	275,632	7,066,006	34,380,126	42,161,201
Due to individuals	2,462,867	512,026	17,392,625	8,840,717	29,208,235
Other liabilities	400,135	-	-	-	400,135
<b>Total liabilities</b>	<b>\$ 6,973,670</b>	<b>\$ 841,939</b>	<b>\$ 24,458,631</b>	<b>\$ 43,604,709</b>	<b>\$ 75,878,949</b>

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the fiscal year ended September 30, 2008

BOARD OF COUNTY COMMISSIONERS

	Balance 10/1/2007	Additions	Deductions	Balance 9/30/2008
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,391,889	\$ 296,431,769	\$ 295,924,580	\$ 6,899,078
Accounts receivable, net	305	1,017	593	729
Due from other county funds	-	1,251,596	1,251,596	-
Due from other governments	197,301	73,811	197,249	73,863
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 6,589,495</b>	<b>\$ 297,758,193</b>	<b>\$ 297,374,018</b>	<b>\$ 6,973,670</b>
<b>LIABILITIES</b>				
Vouchers payable and accrued liabilities	\$ 374,708	\$ 14,203,170	\$ 10,906,647	\$ 3,671,231
Due to other county funds	-	135,319,582	135,319,582	-
Due to other governments	3,687,428	493,078	3,741,069	439,437
Due to individuals	2,180,235	1,111,348	828,716	2,462,867
Other liabilities	347,124	6,474,900	6,421,889	400,135
<b>Total liabilities</b>	<b>\$ 6,589,495</b>	<b>\$ 157,602,078</b>	<b>\$ 157,217,903</b>	<b>\$ 6,973,670</b>

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the fiscal year ended September 30, 2008

SHERIFF

	Balance 10/1/2007	Additions	Deductions	Balance 9/30/2008
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 249,311,993	\$ 249,311,993	\$ -
Accounts receivable, net	939,501	8,985,495	9,545,080	379,916
Due from other county funds	-	11,912,724	11,912,724	-
Due from other governments	163,919	39,016,170	38,718,415	461,674
Other assets	452	892	995	349
<b>Total assets</b>	<b>\$ 1,103,872</b>	<b>\$ 309,227,274</b>	<b>\$ 309,489,207</b>	<b>\$ 841,939</b>
<b>LIABILITIES</b>				
Vouchers payable and accrued liabilities	\$ 77,308	\$ 90,084,389	\$ 90,107,416	\$ 54,281
Due to other county funds	-	70,508,236	70,508,236	-
Due to other governments	20,581	384,860	129,809	275,632
Due to individuals	1,005,983	7,412,885	7,906,842	512,026
Other liabilities	-	42,427,230	42,427,230	-
<b>Total liabilities</b>	<b>\$ 1,103,872</b>	<b>\$ 210,817,600</b>	<b>\$ 211,079,533</b>	<b>\$ 841,939</b>

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the fiscal year ended September 30, 2008

CLERK & COMPTROLLER

	Balance 10/1/2007	Additions	Deductions	Balance 9/30/2008
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,926,413	\$ 410,058,058	\$ 415,964,024	\$ 24,020,447
Accounts receivable, net	109,732	1,542,707	1,315,992	336,447
Due from other county funds	-	1,060,382	1,060,382	-
Due from other governments	8,786	94,647	1,696	101,737
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 30,044,931</b>	<b>\$ 412,755,794</b>	<b>\$ 418,342,094</b>	<b>\$ 24,458,631</b>
<b>LIABILITIES</b>				
Vouchers payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other county funds	-	15,179,157	15,179,157	-
Due to other governments	8,092,485	236,337,013	237,363,492	7,066,006
Due to individuals	21,952,446	186,349,939	190,909,760	17,392,625
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>\$ 30,044,931</b>	<b>\$ 437,866,109</b>	<b>\$ 443,452,409</b>	<b>\$ 24,458,631</b>

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the fiscal year ended September 30, 2008

TAX COLLECTOR

	Balance 10/1/2007	Additions	Deductions	Balance 9/30/2008
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,225,541	\$ 3,257,305,959	\$ 3,243,043,043	\$ 43,488,457
Accounts receivable, net	183,658	7,143,933	7,211,339	116,252
Due from other county funds	-	-	-	-
Due from other governments	-	156	156	-
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 29,409,199</b>	<b>\$ 3,264,450,048</b>	<b>\$ 3,250,254,538</b>	<b>\$ 43,604,709</b>
<b>LIABILITIES</b>				
Vouchers payable and accrued liabilities	\$ 131,752	\$ 1,139,142	\$ 887,028	\$ 383,866
Due to other county funds	-	-	-	-
Due to other governments	26,292,260	2,328,585,443	2,320,497,577	34,380,126
Due to individuals	2,985,187	1,006,083,868	1,000,228,338	8,840,717
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>\$ 29,409,199</b>	<b>\$ 3,335,808,453</b>	<b>\$ 3,321,612,943</b>	<b>\$ 43,604,709</b>

(continued)

PALM BEACH COUNTY, FLORIDA  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the fiscal year ended September 30, 2008

TOTAL AGENCY FUNDS

	Balance 10/1/2007	Additions	Deductions	Balance 9/30/2008
<b>ASSETS</b>				
Cash and cash equivalents	\$ 65,543,843	\$ 4,213,107,779	\$ 4,204,243,640	\$ 74,407,982
Accounts receivable, net	1,233,196	17,673,152	18,073,004	833,344
Due from other county funds	-	14,224,702	14,224,702	-
Due from other governments	370,006	39,184,784	38,917,516	637,274
Other assets	452	892	995	349
<b>Total assets</b>	<b>\$ 67,147,497</b>	<b>\$ 4,284,191,309</b>	<b>\$ 4,275,459,857</b>	<b>\$ 75,878,949</b>
<b>LIABILITIES</b>				
Vouchers payable and accrued liabilities	\$ 583,768	\$ 105,426,701	\$ 101,901,091	\$ 4,109,378
Due to other county funds	-	221,006,975	221,006,975	-
Due to other governments	38,092,754	2,565,800,394	2,561,731,947	42,161,201
Due to individuals	28,123,851	1,200,958,040	1,199,873,656	29,208,235
Other liabilities	347,124	48,902,130	48,849,119	400,135
<b>Total liabilities</b>	<b>\$ 67,147,497</b>	<b>\$ 4,142,094,240</b>	<b>\$ 4,133,362,788</b>	<b>\$ 75,878,949</b>

(concluded)



## STATISTICAL SECTION



The Statistical Section provides financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, including the accompanying notes, and required supplementary information to assess the County's economic condition. Information is presented in the following five categories:

- Financial trends information
- Revenue capacity information
- Debt capacity information
- Demographic & economic information
- Operating information



## Statistical Section

*This part of the 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 supplementary information says about Palm Beach County 's overall financial health.*

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the County 's financial performance and well-being have changed over time.</i>	<b>176</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the County 's most significant local revenue source, Property taxes.</i>	<b>188</b>
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the County 's current levels of outstanding debt and the County 's ability to issue additional debt in the future.</i>	<b>197</b>
<b>Demographic and Economic Information</b> <i>These schedules offer economic and demographic indicators to help the reader understand the environment within which the County 's financial activities take place.</i>	<b>203</b>
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County 's financial report relates to the services the County provides and the activities it performs.</i>	<b>206</b>

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.*



## FINANCIAL TRENDS INFORMATION

TABLE I  
PALM BEACH COUNTY  
Net Assets by Component  
Last Seven Fiscal Years  
September 30, 2008  
*(accrual basis of accounting)*

	2008	2007	2006
Governmental activities			
Invested in capital assets, net of related debt	\$ 1,259,900,977	\$ 1,258,858,321	\$ 1,149,700,254
Restricted	721,136,994	691,922,069	653,306,180
Unrestricted	404,592,872	424,170,355	440,749,051
Subtotal governmental activities net assets	<u>2,385,630,843</u>	<u>2,374,950,745</u>	<u>2,243,755,485</u>
Business-type activities			
Invested in capital assets, net of related debt	1,221,939,326	1,086,676,383	948,165,708
Restricted	81,853,521	96,296,100	75,198,428
Unrestricted	256,633,886	280,151,773	293,449,654
Subtotal business-type activities net assets	<u>1,560,426,733</u>	<u>1,463,124,256</u>	<u>1,316,813,790</u>
Primary government			
Invested in capital assets, net of related debt	2,481,840,303	2,345,534,704	2,097,865,962
Restricted	802,990,515	788,218,169	728,504,608
Unrestricted	661,226,758	704,322,128	734,198,705
Total primary government net assets	<u><u>\$3,946,057,576</u></u>	<u><u>\$3,838,075,001</u></u>	<u><u>\$3,560,569,275</u></u>

Note: Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.

2005	2004	2003	2002
\$ 1,045,215,024	\$ 984,688,856	\$ 703,748,337	\$ 611,054,550
719,046,886	587,662,798	544,039,097	499,347,555
253,276,911	256,909,610	221,261,900	207,072,101
<u>2,017,538,821</u>	<u>1,829,261,264</u>	<u>1,469,049,334</u>	<u>1,317,474,206</u>
861,609,196	762,742,002	668,501,790	576,307,538
73,553,352	97,185,482	91,070,934	91,128,462
260,387,167	252,706,877	264,202,723	284,772,975
<u>1,195,549,715</u>	<u>1,112,634,361</u>	<u>1,023,775,447</u>	<u>952,208,975</u>
1,906,824,220	1,747,430,858	1,372,250,127	1,187,362,088
792,600,238	684,848,280	635,110,031	590,476,017
513,664,078	509,616,487	485,464,623	491,845,076
<u>\$ 3,213,088,536</u>	<u>\$ 2,941,895,625</u>	<u>\$ 2,492,824,781</u>	<u>\$ 2,269,683,181</u>

TABLE II  
PALM BEACH COUNTY, FLORIDA  
Changes in Net Assets  
Last Seven Fiscal Years  
September 30, 2008  
(accrual basis of accounting)

	2008	2007	2006
<b>Expenses</b>			
Governmental activities:			
General government	\$ 350,734,704	\$ 353,587,607	\$ 334,221,067
Public safety	687,642,947	648,701,203	594,769,838
Physical environment	25,796,346	28,636,570	22,758,674
Transportation	164,201,354	169,132,729	146,885,943
Economic environment	213,041,163	160,162,014	70,953,984
Human services	101,164,791	100,967,046	92,500,262
Culture & recreation	124,177,434	119,260,294	135,554,637
Interest expense	49,875,129	49,027,928	46,868,063
Total governmental activities expenses	1,716,633,868	1,629,475,391	1,444,512,468
Business-type activities:			
Department of Airports	71,747,321	66,276,956	65,296,423
Water Utilities Department	127,812,208	112,853,464	98,664,387
Solid Waste Authority	160,805,739	158,484,143	211,845,828
Total business-type activities expenses	360,365,268	337,614,563	375,806,638
Total primary government expenses	2,076,999,136	1,967,089,954	1,820,319,106
<b>Program Revenues</b>			
Governmental activities:			
Fines, fees and charges for services			
General government	129,124,303	132,000,732	157,791,914
Public safety	98,503,611	94,764,762	90,472,783
Physical environment	4,997,300	5,680,770	8,888,175
Transportation	26,379,224	31,801,521	56,056,281
Economic environment	3,227,522	3,122,003	2,985,295
Human services	5,897,399	3,140,222	2,884,924
Culture & recreation	12,332,208	15,254,861	20,951,076
Operating Grants and Contributions	132,135,333	132,204,759	169,338,489
Capital Grants and Contributions	40,630,120	18,202,648	18,860,932
Total governmental activities program revenue	453,227,020	436,172,278	528,229,869
Business-type activities:			
Fines, fees and charges for services			
Department of Airports	74,338,460	77,478,538	73,656,481
Water Utilities Department	118,720,944	107,090,233	97,504,258
Solid Waste Authority	195,947,347	195,898,364	176,395,212
Operating Grants and Contributions	18,761,250	43,762,663	81,160,258
Capital Grants and Contributions	59,477,117	57,146,874	86,049,256
Total business-type activities program revenue	467,245,118	481,376,672	514,765,465
Total primary government program revenues	920,472,138	917,548,950	1,042,995,334

2005	2004	2003	2002
\$ 287,930,665	\$ 277,009,468	\$ 270,247,442	\$ 213,736,559
547,224,383	480,227,919	434,565,298	388,653,721
25,537,612	23,720,500	19,546,116	19,910,361
167,115,551	128,520,025	91,633,960	87,621,176
56,343,792	50,619,793	43,030,647	40,223,124
87,689,004	88,722,328	80,494,994	74,829,578
100,373,803	94,616,074	88,833,662	82,338,425
40,736,456	36,729,939	34,241,486	36,088,899
1,312,951,266	1,180,166,046	1,062,593,605	943,401,843
66,018,396	58,126,033	57,070,803	54,760,966
84,650,247	77,154,525	72,006,274	69,054,046
193,876,262	151,239,222	135,594,046	130,149,594
344,544,905	286,519,780	264,671,123	253,964,606
1,657,496,171	1,466,685,826	1,327,264,728	1,197,366,449
145,804,439	122,143,504	113,373,676	104,616,133
94,327,833	86,737,955	87,545,979	84,038,588
8,984,143	6,278,825	6,751,335	6,123,426
62,242,662	59,161,311	55,763,950	56,028,175
2,936,974	2,260,256	394,000	178,892
3,136,439	3,613,563	3,313,414	3,027,102
24,344,306	27,575,440	14,161,054	12,581,231
146,143,765	123,265,311	100,721,579	99,039,399
29,908,643	23,246,229	24,043,163	16,365,287
517,829,204	454,282,394	406,068,150	381,998,233
70,695,132	61,474,612	55,350,172	52,373,491
91,355,681	91,960,731	83,683,696	81,086,893
161,923,748	150,871,971	140,282,109	133,125,102
52,030,808	23,927,296	12,503,968	21,125,266
51,255,084	45,811,678	44,405,912	36,463,268
427,260,453	374,046,288	336,225,857	324,174,020
945,089,657	828,328,682	742,294,007	706,172,253

TABLE II  
PALM BEACH COUNTY, FLORIDA  
Changes in Net Assets  
Last Seven Fiscal Years  
September 30, 2008  
(accrual basis of accounting)

(Continuations)

	2008	2007	2006
<b>Net (Expenses)/Revenue</b>			
Governmental activities:	\$ (1,263,406,848)	\$ (1,193,303,113)	\$ (916,282,599)
Business-type activities:	106,879,850	143,762,109	138,958,827
Total primary government net expense	<u>(1,156,526,998)</u>	<u>(1,049,541,004)</u>	<u>(777,323,772)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental activities:			
Taxes levied by the County			
Ad valorem taxes	897,890,650	939,719,588	800,033,319
Utility service taxes	30,543,325	29,824,203	28,882,670
Local option gas taxes	46,068,630	47,668,148	49,144,912
Tourist development taxes	27,813,718	26,818,069	23,528,567
State shared sales tax-unrestricted	72,375,458	76,120,744	80,019,101
Franchise gross receipts fee	30,039,809	30,005,367	29,707,735
State shared revenue-unrestricted	59,369,923	61,569,609	61,593,434
Investment income	87,183,609	98,855,421	75,370,005
Other general revenues	6,092,958	9,640,268	5,274,520
Gain on disposal of capital assets	-	6,804,989	-
Transfers-net	9,654,866	(2,528,033)	(11,055,000)
Total governmental activities	<u>1,267,032,946</u>	<u>1,324,498,373</u>	<u>1,142,499,263</u>
Business-type activities:			
Other general revenues	-	-	48,047
Gain on disposal of capital assets	77,493	20,324	3,416,202
Transfers-net	(9,654,866)	2,528,033	11,055,000
Special items	-	-	(32,214,001)
Total business-type activities	<u>(9,577,373)</u>	<u>2,548,357</u>	<u>(17,694,752)</u>
Total primary government	<u>1,257,455,573</u>	<u>1,327,046,730</u>	<u>1,124,804,511</u>
<b>Change in Net Assets</b>			
Governmental activities	3,626,098	131,195,260	226,216,664
Business-type activities	97,302,477	146,310,466	121,264,075
Total primary Government	<u>\$ 100,928,575</u>	<u>\$ 277,505,726</u>	<u>\$ 347,480,739</u>

2005	2004	2003	2002
\$ (795,122,062)	\$(725,883,652)	\$(656,525,455)	\$(561,403,610)
82,715,548	87,526,508	71,554,734	70,209,414
(712,406,514)	(638,357,144)	(584,970,721)	(491,194,196)
685,200,765	606,326,239	542,171,572	499,742,790
28,074,005	27,196,819	28,314,364	28,094,173
49,196,637	48,033,683	45,946,096	43,443,989
22,516,374	19,848,215	17,330,095	16,621,855
76,660,073	73,705,133	66,973,342	65,710,225
25,707,598	22,856,094	22,844,936	21,516,559
58,434,994	54,733,943	48,113,623	46,194,731
33,639,043	33,858,058	31,005,054	58,374,866
4,169,936	1,563,777	3,696,464	4,293,167
-	-	1,647,381	3,035,435
(199,806)	(358,500)	54,656	-
983,399,619	887,763,461	808,097,583	787,027,790
-	-	-	-
-	738,906	76,394	1,747,300
199,806	358,500	(54,656)	-
-	225,000	-	1,766,800
199,806	1,322,406	21,738	3,514,100
983,599,425	889,085,867	808,119,321	790,541,890
188,277,557	161,879,809	151,572,128	225,624,180
82,915,354	88,848,914	71,576,472	73,723,514
\$ 271,192,911	\$ 250,728,723	\$ 223,148,600	\$ 299,347,694

(concluded)

TABLE III  
PALM BEACH COUNTY, FLORIDA  
Fund Balances  
Governmental Funds  
Last Ten Fiscal Years  
September 30, 2008  
*(modified accrual basis of accounting)*

	2008	2007	2006	2005	2004
General Fund					
Reserved	\$ 1,998,639	\$ 2,072,013	\$ 2,705,674	\$ 2,377,934	\$ 1,504,296
Unreserved	218,575,161	240,764,804	218,802,474	182,467,939	148,241,675
Total general fund	<u>\$ 220,573,800</u>	<u>\$ 242,836,817</u>	<u>\$ 221,508,148</u>	<u>\$ 184,845,873</u>	<u>\$ 149,745,971</u>
All Other Governmental Funds					
Reserved	\$ 46,696,097	\$ 29,563,773	\$ 35,810,097	\$ 38,533,591	\$ 21,298,817
Unreserved, reported in:					
Special revenue funds	276,245,476	254,283,049	244,649,627	216,117,295	183,168,481
Capital project funds	973,138,644	883,294,634	981,898,355	898,318,247	730,838,681
Total all other governmental funds	<u>\$ 1,296,080,217</u>	<u>\$ 1,167,141,456</u>	<u>\$ 1,262,358,079</u>	<u>\$ 1,152,969,133</u>	<u>\$ 935,305,979</u>

2003	2002	2001	2000	1999
\$ 1,377,875	\$ 1,126,397	\$ 1,122,650	\$ 1,149,094	\$ 1,116,889
182,729,927	177,405,978	157,777,257	132,750,125	92,814,109
<u>\$ 184,107,802</u>	<u>\$ 178,532,375</u>	<u>\$ 158,899,907</u>	<u>\$ 133,899,219</u>	<u>\$ 93,930,998</u>
\$ 21,335,310	\$ 20,286,577	\$ 20,289,717	\$ 15,407,069	\$ 14,574,696
149,100,263	173,883,854	138,093,464	119,795,565	114,678,871
624,543,322	553,193,800	528,026,445	402,512,167	290,990,291
<u>\$ 794,978,895</u>	<u>\$ 747,364,231</u>	<u>\$ 686,409,626</u>	<u>\$ 537,714,801</u>	<u>\$ 420,243,858</u>

Table IV  
PALM BEACH COUNTY, FLORIDA  
Changes in Fund Balance  
Governmental Funds  
Last Ten Fiscal Years  
September 30, 2008  
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004
<b>Revenues</b>					
Taxes (See Table V)	\$ 1,060,648,899	\$ 1,103,524,951	\$ 959,811,851	\$ 839,088,219	\$ 750,538,352
Special assessments	30,766,826	37,199,384	93,320,734	106,468,425	96,267,382
Licenses	14,495,838	18,905,841	27,124,893	23,241,939	18,423,955
Intergovernmental (See Table V)	231,253,335	225,178,347	274,002,360	255,413,934	211,072,156
Charges for services	263,170,088	258,533,429	254,197,688	250,621,639	197,993,504
Less - excess fees paid out	(48,986,202)	(50,266,917)	(40,873,561)	(34,996,646)	(30,963,646)
Fines & forfeitures	13,409,495	14,905,754	7,655,171	7,368,597	14,451,096
Investment income	84,558,686	97,232,629	71,586,595	31,087,205	30,482,437
Miscellaneous	25,256,701	39,679,635	35,124,869	26,262,217	24,668,231
<b>Total revenues</b>	<b>1,674,573,666</b>	<b>1,744,893,053</b>	<b>1,681,950,600</b>	<b>1,504,555,529</b>	<b>1,312,933,467</b>
<b>Expenditures</b>					
General government	310,329,730	313,015,263	290,838,621	266,333,173	245,309,801
Public safety	653,281,284	599,870,191	574,135,189	514,830,158	455,658,451
Physical environment	24,897,201	26,549,400	21,343,348	23,607,179	21,418,568
Transportation	136,380,373	133,592,630	121,777,304	133,742,817	101,418,238
Economic environment	175,019,052	155,367,439	70,743,624	56,103,756	50,441,054
Human services	99,860,522	99,109,754	91,612,500	87,112,369	87,273,324
Culture & recreation	106,653,976	103,809,416	123,390,031	88,698,037	83,478,624
Capital outlay	245,434,936	326,185,756	228,383,696	253,918,590	193,564,051
Debt service					
Principal	73,892,468	88,291,399	62,308,629	51,899,195	47,422,546
Interest	48,576,404	49,666,635	45,439,931	37,950,596	34,920,376
Other charges	4,845,829	665,931	3,024,010	5,187,643	3,825,224
<b>Total expenditures</b>	<b>1,879,171,775</b>	<b>1,896,123,814</b>	<b>1,632,996,883</b>	<b>1,519,383,513</b>	<b>1,324,730,257</b>
Excess of revenues over (under) expenditures	(204,598,109)	(151,230,761)	48,953,717	(14,827,984)	(11,796,790)
<b>Other Financing Sources (Uses)</b>					
Transfers in	790,518,983	789,706,485	649,145,798	558,070,700	549,407,015
Transfers out	(790,164,731)	(790,338,523)	(654,200,798)	(550,031,074)	(546,159,652)
Issuance of long-term debt	304,926,006	78,470,918	105,504,655	246,305,233	107,127,451
Premium (discount) long-term debt	5,446,308	561,966	(48,226)	11,127,960	5,145,225
Issuance of refunding debt	53,751,266	-	115,825,000	76,555,000	94,297,549
Premium (discount) refunding debt	797,115	-	-	3,550,476	9,606,053
Payment to escrow agent for refunding	(54,185,517)	-	(121,560,729)	(78,935,818)	(102,397,730)
<b>Total other financing sources (uses)</b>	<b>311,089,430</b>	<b>78,400,846</b>	<b>94,665,700</b>	<b>266,642,477</b>	<b>117,025,911</b>
<b>Net change in fund balance</b>	<b>\$ 106,491,321</b>	<b>\$ (72,829,915)</b>	<b>\$ 143,619,417</b>	<b>\$ 251,814,493</b>	<b>\$ 105,229,121</b>
Debt service as a percentage of noncapital expenditures (1)	7.5%	8.8%	7.7%	7.1%	7.3%

(1) Debt service percentage = (principal & interest) / (total expenditures - capital outlay capitalized as capital assets)

2003	2002	2001	2000	1999
\$ 678,623,758	\$ 630,295,303	\$ 569,258,844	\$ 529,327,248	\$ 489,969,134
92,674,006	88,984,709	66,502,896	60,285,588	53,257,730
15,971,817	15,196,656	17,383,730	15,429,000	14,409,859
191,300,405	188,659,369	159,672,406	156,365,044	152,826,203
156,568,583	167,772,906	124,333,193	115,167,480	110,513,681
-	-	-	-	-
16,926,636	17,307,566	19,706,246	13,862,893	16,304,547
26,711,503	54,270,496	77,439,464	48,543,158	23,631,150
23,233,113	33,458,090	33,077,754	23,848,360	24,956,053
<u>1,202,009,821</u>	<u>1,195,945,095</u>	<u>1,067,374,533</u>	<u>962,828,771</u>	<u>885,868,357</u>
233,733,569	207,319,138	205,350,114	185,442,968	183,581,690
413,014,162	374,776,192	341,867,103	311,564,753	296,525,412
18,412,689	19,541,885	22,295,095	8,615,444	8,004,153
87,911,562	83,668,447	33,363,353	28,073,398	26,018,625
42,769,728	40,038,880	35,314,458	34,257,258	32,560,400
79,186,286	73,151,152	68,344,041	66,234,537	63,733,034
77,340,894	72,460,441	59,683,973	48,266,501	44,424,672
177,374,886	185,824,438	204,731,400	168,881,237	124,872,228
43,855,556	43,678,253	34,953,861	33,545,000	37,133,017
34,037,366	37,025,562	31,030,021	30,764,004	28,539,098
759,726	1,421,888	2,030,569	138,550	103,910
<u>1,208,396,424</u>	<u>1,138,906,276</u>	<u>1,038,963,988</u>	<u>915,783,650</u>	<u>845,496,239</u>
(6,386,603)	57,038,819	28,410,545	47,045,121	40,372,118
511,941,179	491,802,641	448,203,647	424,088,301	408,149,297
(510,386,523)	(491,777,708)	(458,829,018)	(435,338,391)	(412,953,369)
55,537,758	18,659,000	156,305,000	121,018,525	3,809,861
2,337,087	-	(582,181)	(175,622)	-
-	18,560,000	-	-	-
-	1,021,629	-	-	-
-	(19,329,587)	-	-	-
<u>59,429,501</u>	<u>18,935,975</u>	<u>145,097,448</u>	<u>109,592,813</u>	<u>(994,211)</u>
<u>\$ 53,042,898</u>	<u>\$ 75,974,794</u>	<u>\$ 173,507,993</u>	<u>\$ 156,637,934</u>	<u>\$ 39,377,907</u>
7.4%	8.4%	7.9%	8.6%	9.1%

TABLE V  
PALM BEACH COUNTY, FLORIDA  
Tax and Intergovernmental Revenue by Source  
Last Ten Fiscal Years  
September 30, 2008  
(modified accrual basis of accounting)  
(dollars in thousands)

**County Taxes**

Fiscal Year	Ad valorem Tax	Tourist Development Tax	Local option Gas tax	Utility Tax (2)	Communication services Tax (2)	Franchise Fees	Total County Taxes
2008	\$ 897,891	\$ 27,814	\$ 46,069	\$ 30,543	\$ 28,992	\$ 29,340	\$ 1,060,649
2007	939,720	26,818	47,668	29,824	29,490	30,005	1,103,525
2006	800,033	23,528	49,145	28,883	28,515	29,708	959,812
2005	685,201	22,516	49,197	28,074	28,393	25,708	839,089
2004	606,326	19,848	48,034	27,197	26,277	22,856	750,538
2003	542,172	17,330	45,946	28,314	22,017	22,845	678,624
2002	499,743	16,622	43,444	28,094	20,876	21,516	630,295
2001	451,949	18,584	30,972	41,175	-	26,579	569,259
2000	422,230	18,091	30,325	37,874	-	20,807	529,327
1999	386,064	16,406	29,772	36,828	-	20,899	489,969

**Intergovernmental Revenue**

Fiscal Year	Sales Tax	State shared Revenue Sharing	State levied Fuel taxes	Federal Grants (3)	State Other Grants	Other (1)	Total Intergovernmental Revenue
2008	\$ 72,375	\$ 24,802	\$ 16,388	\$ 69,728	\$ 41,172	\$ 6,788	\$ 231,253
2007	76,121	26,861	17,405	71,340	26,693	6,758	225,178
2006	80,019	27,931	17,499	112,383	31,023	5,147	274,002
2005	76,660	26,206	17,688	94,590	36,434	3,836	255,414
2004	73,705	25,092	14,130	56,910	37,870	3,365	211,072
2003	66,973	22,966	13,242	56,082	28,906	3,131	191,300
2002	65,710	22,355	12,866	56,327	28,438	2,963	188,659
2001	62,560	21,729	12,372	39,437	20,338	3,236	159,672
2000	60,297	24,979	12,127	39,705	17,828	1,429	156,365
1999	55,534	28,275	11,408	38,014	18,204	1,391	152,826

(1) Other revenue includes: Alcoholic Beverage Licenses, Racing Tax, Insurance Agent County Licenses, Mobile Home licenses, Firefighters Supplemental Comp, and 911 Wireless Fees. Beginning in FY 01, the County received its portion of 911 fees collected by wireless providers to help with the cost of the 911 system to wireless phone customers.

(2) Prior to FY02, part of the utility tax was received from telecommunications which was paid directly to the County from various companies. In FY02, this tax is remitted directly to the State and the State remits the County a portion which is now called the Communications Service Tax.

(3) The increase for FY05 and FY06 is the result of FEMA Disaster reimbursements for the hurricane damage suffered in Palm Beach County.

Note: Some values may differ from amounts reported in the Entity-wide Statement of Activities. That statement reports revenues using the full accrual method of accounting.

## REVENUE CAPACITY INFORMATION

TABLE VI  
 PALM BEACH COUNTY, FLORIDA  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 September 30, 2008  
*(in thousands of dollars)*

Fiscal Year Ended Sept. 30	Residential Property	Commercial Property	Industrial Property	Other Property	Tangible Personal Property
1999	\$ 49,840,098	\$ 9,121,198	\$ 1,691,877	\$ 1,575,354	\$ 5,174,101
2000	53,602,211	9,676,932	1,748,079	1,606,806	5,312,234
2001	59,818,201	10,581,999	1,846,495	1,630,521	5,686,654
2002	67,087,589	11,269,516	2,020,237	1,758,745	5,889,096
2003	76,451,909	12,074,143	2,203,218	1,911,407	5,966,663
2004	82,753,401	18,962,528	2,447,793	916,026	6,091,244
2005	98,204,483	21,560,566	2,899,305	925,849	6,344,019
2006	122,188,560	27,284,041	3,690,386	1,022,922	6,718,119
2007	129,740,137	28,085,753	4,058,107	1,150,067	6,873,275
2008	119,350,766	28,820,074	4,369,744	1,133,026	6,558,419

(1) The FEC increased the assessments in the amount of \$8 million and the CSX increased the assessments in the amount of \$6 million for FY03.

Source: Palm Beach County Property Appraiser's Office.

Note: Florida State Law requires all property to be assessed at current fair market value.

	Railroad And Telegraph	Total Assessed Value	Less: Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Total Assessed Value as a Percentage of Actual Taxable Value
	\$ 57,168	\$ 67,459,796	\$ 14,675,515	\$ 52,784,281	4.8582	\$ 85,248,246	79.13 %
	59,985	\$ 72,006,247	14,886,206	57,120,041	4.9456	90,319,602	79.72
	58,319	\$ 79,622,189	15,456,360	64,165,829	4.9362	101,011,371	78.82
	59,382	\$ 88,084,565	15,818,437	72,266,128	4.9351	113,847,039	77.37
(1)	73,154	\$ 98,680,494	16,865,949	81,814,545	4.8084	129,646,611	76.11
	78,928	\$ 111,249,920	17,927,312	93,322,608	4.7910	149,674,535	74.33
	70,344	\$ 130,004,566	19,801,317	110,203,249	4.7677	180,546,215	72.01
	80,168	\$ 160,984,196	22,249,313	138,734,883	4.7192	232,872,482	69.13
	102,611	\$ 170,009,950	23,397,361	146,612,589	4.4775	236,349,114	71.93
	127,886	\$ 160,359,915	23,918,994	136,440,921	3.9813	223,427,842	71.77

TABLE VII  
PALM BEACH COUNTY, FLORIDA  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
September 30, 2008  
(Per \$1,000 of Assessed Value)

Fiscal Year Ended Sept. 30	Direct Rates			Overlapping Rates						Total Countywide
	General Government	Debt Service Fund	Total Direct Rates	Palm Beach County School Board	South Florida Water Management District	Florida Inland Navigation District	Children's Services Council	Heath Care District	Total Overlapping Rates	
1999	4.6000	0.2582	4.8582	9.0430	0.6970	*	*	*	9.7400	14.5982
2000	4.6000	0.3456	4.9456	8.9180	0.6970	*	*	*	9.6150	14.5606
2001	4.6000	0.3362	4.9362	8.9480	0.6970	*	*	*	9.6450	14.5812
2002	4.5500	0.3851	4.9351	8.7790	0.6970	*	*	*	9.4760	14.4111
2003	4.5000	0.3084	4.8084	8.5710	0.6970	*	*	*	9.2680	14.0764
2004	4.5000	0.2910	4.7910	8.4320	0.6970	*	*	*	9.1290	13.9200
2005	4.5000	0.2677	4.7677	8.4320	0.6970	0.0385	0.6902	1.1000	10.9577	15.7254
2006	4.4500	0.2692	4.7192	8.1060	0.6970	0.0385	0.6887	1.0800	10.6102	15.3294
2007	4.2800	0.1975	4.4775	7.8720	0.6970	0.0385	0.6199	0.9700	10.1974	14.6749
2008	3.7811	0.2002	3.9813	7.3560	0.6240	0.0345	0.5823	0.8900	9.4868	13.4681

Note: Amounts restated for FY'05 - FY'07 to account for additional information.  
\* Data not available

TABLE VIII  
PALM BEACH COUNTY, FLORIDA  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
September 30, 2008

Taxpayer	2008			1999		
	Total Tax	Rank	Percentage Of Total Taxes Levied	Total Tax	Rank	Percentage Of Total Taxes Levied
Florida Power & Light	\$ 26,881,164	1	2.88 %	\$ 18,636,246	1	4.63 %
BellSouth Telecommunications	8,718,567	2	0.94	11,200,706	2	2.78
Town Center	6,619,112	3	0.71	3,004,531	8	0.75
U.S. Sugar Corporation	5,478,949	4	0.59	6,088,662	3	1.51
Breakers Palm Beach Inc.	4,816,539	5	0.52	3,370,222	6	0.84
Panthers BRHC LTD	4,473,909	6	0.48	2,747,883	9	0.68
Landry, Lawrence L.	4,339,466	7	0.47	3,361,611	7	0.83
TJ Palm Beach Assoc LTD Ptnrs	3,618,338	8	0.39			-
Batmasian James H	3,588,954	9	0.39			-
Phillips Point II LLC	3,423,918	10	0.37			
Okeelanta Corporation	-		-	4,684,481	4	1.16
J.D. & Catherine MacArthur & MacArthur Holding Inc.	-		-	3,640,605	5	0.90
Motorola	-		-	2,613,256	10	0.65
<b>Total</b>	<b>\$ 71,958,916</b>		<b>7.72 %</b>	<b>\$ 59,348,203</b>		<b>14.74 %</b>

Total Taxes levied:

\$ 931,762,735

\$ 402,654,178

Source: Palm Beach County, Office of the Tax Collector

TABLE IX  
PALM BEACH COUNTY, FLORIDA  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
September 30, 2008

Fiscal Year Ended Sept. 30	Gross Taxes Levied for the Fiscal Year	Discounts For Early Payment	Net Taxes Levied for the Fiscal Year	Collections of Current Year Levy		Collections of Subsequent Year Levy	Total Collections to Date	
				Amount	Percentage Net of Levy		Amount	Percentage Net of Levy
1999	\$ 402,654,178	\$ 13,978,254	\$ 388,675,924	\$ 385,369,330	99.1 %	\$ 694,806	\$ 386,064,136	99.3 %
2000	438,378,943	15,306,210	423,072,733	420,117,483	99.3	2,112,364	422,229,847	99.8
2001	469,324,538	16,233,904	453,090,634	449,946,948	99.3	2,002,519	451,949,467	99.7
2002	519,045,004	18,013,056	501,031,948	498,180,743	99.4	1,562,047	499,742,790	99.7
2003	564,142,933	19,651,559	544,491,374	540,858,347	99.3	1,313,225	542,171,572	99.6
2004	630,738,788	22,122,810	608,615,978	605,494,833	99.5	831,406	606,326,239	99.6
2005	712,058,996	25,117,366	686,941,630	684,361,059	99.6	839,706	685,200,765	99.7
2006	831,870,587	30,533,941	801,336,646	799,229,729	99.7	803,590	800,033,319	99.8
2007	978,089,028	33,329,636	944,759,392	938,520,585	99.3	1,199,004	939,719,589	99.5
2008	931,762,735	31,267,722	900,495,013	896,209,694	99.5	1,680,958	897,890,652	99.7

Source: Palm Beach County Tax Collector's Office



TABLE X  
Non-Ad Valorem Revenue  
Last Ten Fiscal Years  
September 30, 2008

Fiscal Year Ended Sept. 30	2008	2007 (5)	2006	2005
Half-Cent Sales Tax	\$ 72,375,457	\$ 76,120,744	\$ 80,019,101	\$ 76,660,073
Charges for Other Services	51,893,645	47,855,195	37,429,716	31,166,150
Interest	34,257,321	38,635,994	28,689,237	12,433,189
Utility Service Tax (3)	30,543,325	29,824,203	28,882,669	28,074,005
Communications Service Tax (3)	28,992,767	29,489,576	28,514,647	28,392,841
Electric Franchise Tax	25,042,044	25,495,545	25,022,599	20,836,584
State Revenue Sharing	24,757,350	26,814,892	27,881,333	26,153,737
Miscellaneous	22,903,101	34,917,301	45,918,261	27,320,733
Reimburse of Indirect Costs	13,357,131	12,222,067	11,583,034	11,820,470
Parks & Recreation Fees	10,564,302	10,555,850	11,033,646	9,882,421
Excess Fees - Sheriff (4)	7,697,452	10,290,391	3,048,686	8,762,824
Licenses & Permits	5,965,537	6,205,700	6,189,425	6,720,920
Available Tourist Development Tax	5,562,744	5,672,139	5,882,141	5,629,094
Animal Regulation Fees	2,829,946	2,299,257	2,467,856	2,662,967
County Officer's Fees	2,750,190	2,233,823	2,404,971	2,188,985
Fines and Forfeitures	1,979,045	2,206,725	2,611,542	1,930,511
Excess Fees - Supervisor of Elections (1) (4)	1,481,382	651,827	-	-
Excess Fees - Clerk & Comptroller (4)	503,679	2,785,224	11,295,945	15,255,452
Parking Revenue	213,747	270,741	254,324	260,879
Cable TV Franchise Tax (2)	-	-	-	-
Excess Fees - Property Appraiser (4)	-	-	-	-
Excess Fees - Tax Collector (4)	-	-	-	-
<b>TOTALS</b>	<b>\$ 343,670,165</b>	<b>\$ 364,547,194</b>	<b>\$ 359,129,133</b>	<b>\$ 316,151,835</b>

- (1) In 2007, the Supervisor of Elections became a separate fiscal entity.
- (2) The local Cable TV Franchise Fee has been replaced with a new statewide Telecommunications Service tax effective in FY02 which is collected by the State.
- (3) Prior to FY02, part of the utility tax was received from telecommunications which was paid directly to the County from various companies. In FY02, this tax is remitted directly to the State and the State remits the County a portion which is now called the Communications Service Tax.
- (4) Excess fees represent unspent appropriations of the constitutional officers which are required by Florida Statute to be returned to the County at the end of the fiscal year. The excess fees are recorded as 'transfer-in' by the County and 'transfers-out' by the constitutional officers in the fund statements. Beginning in fiscal years ended 9/30/03, excess fees for the Tax Collector and Property Appraiser (in compliance with GASB 34) are reported as 'reimbursements of expenses' by the County and as a 'reduction of fee revenue' by the Tax Collector and Property Appraiser in the fund statements. Because these 'excess fees' represent a refund of unspent 'charges for services' rather than unspent appropriations, they are no longer used in the computation of the debt coverage ratio.
- (5) 2007 data was revised for new data and increased by \$2,981,657

Source: Palm Beach County, Office of Financial Management and Budget

Note: Non-Ad Valorem Revenues are available revenues of the County other than ad valorem taxation on real and personal property, which are legally available for payment of debt service by the County. See Table XV Debt Coverage.

2004	2003	2002	2001	2000	1999
\$ 73,705,133	\$ 66,973,342	\$ 65,710,226	\$ 62,560,483	\$ 60,297,169	\$ 55,533,627
30,867,264	29,437,466	28,273,977	24,538,155	21,973,663	22,270,541
12,338,681	11,170,042	21,357,264	30,858,008	18,878,233	11,345,322
27,196,819	28,314,364	28,094,173	40,891,114	37,874,444	36,828,025
26,277,301	22,016,697	20,875,937	-	-	-
17,905,261	17,824,293	16,468,768	17,141,089	13,379,692	14,791,627
25,040,944	22,917,694	22,283,583	21,728,736	24,978,575	28,274,965
16,706,987	13,699,517	9,453,712	13,365,627	10,787,160	9,630,622
9,823,540	9,315,887	8,725,494	8,343,573	8,871,682	10,156,387
9,474,905	9,477,537	8,578,510	8,578,105	6,654,167	6,231,392
8,015,401	16,216,318	23,719,248	14,754,706	13,890,313	3,695,220
6,377,608	3,874,911	4,114,205	3,885,201	3,794,672	1,748,599
4,962,054	4,332,524	3,037,109	2,242,294	2,243,015	2,245,763
2,510,009	2,541,806	2,252,860	1,987,077	2,176,232	1,973,128
4,220,421	5,771,908	5,758,018	5,263,402	4,944,643	6,386,010
8,027,054	8,093,869	7,987,441	7,932,981	6,459,624	5,592,064
-	-	-	-	-	-
10,879,034	7,472,330	7,196,616	2,989,138	3,260,654	4,090,302
296,471	362,934	377,930	405,201	509,783	537,113
-	-	20,670	4,277,975	3,249,347	3,185,358
-	-	1,669,863	1,516,192	2,081,075	1,805,413
-	-	18,237,099	16,927,338	16,220,935	15,142,160
<u>\$ 294,624,887</u>	<u>\$ 279,813,439</u>	<u>\$ 304,192,703</u>	<u>\$ 290,186,395</u>	<u>\$ 262,525,078</u>	<u>\$ 241,463,638</u>

## DEBT CAPACITY INFORMATION

TABLE XI  
 PALM BEACH COUNTY, FLORIDA  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 September 30, 2008  
 (dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Non-Ad Valorem Revenue Bonds	Loans Payable	Capital Leases	Revenue Bonds	Loans Payable	Capital Leases			
1999	\$ 119,835	\$ 372,065	\$ 32,277	\$ 718	\$ 652,970	\$ 11,977	\$ -	\$ 1,189,842	2.69	\$ 1,142
2000	205,855	354,700	49,192	394	627,750	4,981	-	1,242,872	2.54	1,099
2001	267,485	417,090	44,852	726	592,415	15,053	-	1,337,621	2.63	1,159
2002	253,845	400,980	66,882	338	593,185	7,766	-	1,322,996	2.53	1,118
2003	292,745	379,275	58,893	155	592,020	9,031	-	1,332,119	2.51	1,100
2004	275,905	448,170	71,419	25	551,285	1,202	-	1,348,006	2.26	1,085
2005	283,885	634,471	73,248	34	506,425	39,066	-	1,537,129	2.37	1,214
2006	336,020	597,660	94,871	43	637,745	7,654	-	1,673,993	2.39	1,300
2007	313,515	573,910	129,057	11	591,245	250	-	1,607,988	N/A	1,242
2008	290,410	882,004	75,494	7	540,533	80,000	-	1,868,448	N/A	1,443

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.  
 Information regarding personal income was not available for FY07 & FY08  
 (1) See Table XVI for personal income and population data.

TABLE XII  
 PALM BEACH COUNTY, FLORIDA  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
 September 30, 2008  
*(dollars in thousands, except per capita)*

Fiscal Year Ended Sept. 30	General Obligation Bonds Outstanding (1)	Total Taxable Assessed Value of Property (2)	G.O. Bonds Outstanding as a Percentage of Total Taxable Assessed Value of Property	County Population	G.O. Bonds Outstanding Per Capita
1999	\$ 119,835	\$ 52,784,281	0.23%	1,042,196	\$ 114.98
2000	205,855	57,120,041	0.36%	1,131,184	181.98
2001	267,485	64,165,829	0.42%	1,154,464	231.70
2002	253,845	72,266,128	0.35%	1,183,197	214.54
2003	292,745	81,814,545	0.36%	1,211,448	241.65
2004	275,905	93,322,608	0.30%	1,242,270	222.10
2005	283,885	110,203,249	0.26%	1,265,900	224.26
2006	336,020	138,734,883	0.24%	1,287,987	260.89
2007	313,515	146,612,589	0.21%	1,295,033	242.09
2008	290,410	136,440,921	0.21%	1,294,654	224.31

Note: (1) See Table XI for General Obligation (G.O.) Bonds and Other Debt  
 (2) See Table VI for Taxable Assessed Value

TABLE XIII  
PALM BEACH COUNTY, FLORIDA  
Direct and Overlapping Governmental Activities Debt  
September 30, 2008  
(dollars in thousands)

	Debt Payable from Ad Valorem Taxes			Debt Payable from Non-Ad Valorem Revenues			Estimated Share of Direct & Overlapping Debt
	Debt Outstanding	Estimated Percentage Applicable based on Assessed Value	Estimated Share of Overlapping Debt	Debt Outstanding	Estimated Percentage Applicable based on Population	Estimated Share of Overlapping Debt	
Overlapping debt							
School District	\$ 35,805	100%	\$ 35,805	\$ 2,035,828	100%	\$ 2,035,828	\$2,071,633
South Florida Water Management District	-	100%	-	592,553	100%	592,553	592,553
Municipalities	127,067	61%	77,511	255,075	55%	140,291	217,802
Subtotal, overlapping debt	<u>\$ 162,872</u>		113,316	<u>\$ 2,883,456</u>		2,768,672	2,881,988
Direct debt			<u>290,410</u>			<u>957,498</u>	<u>1,247,908</u>
Total direct and overlapping debt			<u>\$ 403,726</u>			<u>\$ 3,726,170</u>	<u>\$4,129,896</u>

Note: The following 100% overlapping governments did not have debt outstanding at fiscal year end; Florida Inland Navigation District, Children's Services Council, and the Health Care District

TABLE XIV  
PALM BEACH COUNTY, FLORIDA  
Legal Debt Margin Information  
September 30, 2008

The constitution of the State of Florida, Florida Statute 200.181, and Palm Beach County set no legal debt limit.

TABLE XV  
PALM BEACH COUNTY, FLORIDA  
Pledged-Revenue Coverage  
Last Ten Fiscal Years  
September 30, 2008  
(dollars in thousands)

Fiscal Year Ended Sept. 30	Non-Ad Valorem Revenue Bonds (1)				Water Utilities Revenue Bonds (2)							
	Debt Service		Non-Ad Valorem Revenues	Coverage	Gross Revenues	Expenses	Net Revenue Available	Debt Service		Total	Coverage	
	Principal	Interest						Principal	Interest			
1999	\$ 26,368	\$ 22,155	\$ 241,464	4.98	\$ 77,144	\$ 36,613	\$ 40,531	\$ 7,340	\$ 5,754	\$ 13,094	3.10	
2000	19,565	21,369	262,525	6.41	81,725	38,633	43,092	7,735	5,090	12,825	3.36	
2001	21,225	20,610	290,186	6.94	88,755	41,170	47,585	8,025	3,658	11,683	4.07	
2002	24,230	23,110	304,193	6.43	89,382	43,442	45,940	8,445	4,058	12,503	3.67	
2003	26,781	21,705	279,813	5.77	87,663	47,583	40,080	8,885	2,652	11,537	3.47	
2004	28,002	20,878	294,625	6.03	92,660	51,898	40,762	9,610	1,877	11,487	3.55	
2005	31,827	24,231	316,152	5.64	94,155	56,660	37,495	12,317	1,450	13,767	2.72	
2006	43,361	32,302	359,129	4.75	99,324	65,524	33,800	10,745	2,898	13,643	2.48	
2007 (3)	53,993	32,521	364,547	4.21	114,019	73,781	40,238	13,255	3,809	17,064	2.36	
2008	48,201	32,977	343,670	4.23	121,929	81,927	40,001	13,955	8,376	22,331	1.79	

Note: Details regarding the County's outstanding debt can be found in the financial statements.

- (1) The County covenants that it will not issue any indebtedness or incur any indebtedness payable from or supported by a pledge of non-ad valorem revenues unless the total amount of non-ad valorem revenues will be greater than 2.00 times the debt service required in the current or any future fiscal year. For purposes of such test, principal retired through refunding is excluded and the interest rate on bonds bearing interest at a variable rate must be prospectively calculated in future years at the higher rate of (a) 12% per annum or (b) average yield to par call for the Bond Buyer Municipal Bond Index (the "Bond Buyer 40") on the date of calculation rather than the actual rate as shown in the schedule. For the year ended September 30, 2008, if the County had used the maximum annual debt service for variable rate debt, the times coverage would be 3.90.
- (2) The calculation of gross revenues excludes connection fees and extraordinary gains and the calculation of expenses excludes interest expense, depreciation and extraordinary losses.
- (3) Non-ad valorem revenues for FY07 have been restated for interest and other revenues recognized in FY08 but not included in the prior year.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

TABLE XVI  
 PALM BEACH COUNTY, FLORIDA  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
 September 30, 2008

Year	Population	Personal Income	Per Capita Personal Income	Civilian Labor Force	Unemployment Rates
1999	1,042,196	\$44,168,511	\$39,545	543,006	4.8 %
2000	1,131,184	48,954,794	43,110	524,708	4.1
2001	1,154,464	50,843,978	43,933	541,377	5.9
2002	1,183,197	52,287,552	44,125	553,833	6.4
2003	1,211,448	52,980,627	43,876	590,677	6.2
2004	1,242,270	59,762,055	48,282	598,785	5.7
2005	1,265,900	64,828,656	51,483	622,443	4.1
2006	1,287,987	70,043,565	55,311	645,211	3.7
2007	1,295,033	N/A	N/A	650,548	4.8
2008	1,294,654	N/A	N/A	655,669	7.3

Source: Florida Legislature, Office of Economic and Demographic Research  
 State of Florida Agency for Workforce Innovation  
 Florida Department of Labor and Employment Security and Bureau of Labor  
 Market Unemployment Information Labor Statistics Department

Note : Population and income data are per calendar year.  
 Income data for 2007 and 2008 is not available.  
 Personal Income data for 2004 is revised.  
 Per Capita Income data for 2000 thru 2006 is revised.  
 Labor Force and Unemployment data are for September of each year.

TABLE XVII  
PALM BEACH COUNTY, FLORIDA  
Principal Employers  
Current Year and Nine Years Ago

	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School Board	21,718	1	3.31%	17,000	1	3.13%
Palm Beach County	11,319	2	1.73%	9,000	2	1.66%
State Government	9,300	3	1.42%	8,800	3	1.62%
Federal Government	6,200	4	0.95%	5,900	4	1.09%
Tenet Healthcare Corp (2)	4,500	5	0.69%			0.00%
Florida Power & Light Company	3,632	6	0.55%			0.00%
Hospital Corporation of America (HCA) (1)	3,395	7	0.52%	4,000	5	0.74%
Wackenhut Corporation	3,000	8	0.46%			0.00%
Florida Atlantic University	2,838	9	0.43%	3,100	8	0.57%
Veterans Health Administration	2,207	10	0.34%			0.00%
Pratt & Whitney Aircraft (3)	-		-	4,000	6	0.74%
Intracoastal Health Systems, Inc. (2)	-		-	3,200	7	0.59%
Flo Sun, Inc. (3)	-		-	2,500	9	0.46%
Motorola Inc.	-		-	2,300	10	0.42%
<b>Total</b>	<b>68,109</b>		<b>10.39%</b>	<b>59,800</b>		<b>10.99%</b>

Source: Business Development Board of Palm Beach County

Notes:

(1) Formerly Columbia Palm Beach Health Care System, Inc

(2) Intracoastal Health Systems, Inc - now part of Tenet Healthcare Corp.

(3) Although these employers were not in the top 10, the Employee totals for 2008 are as follows:

Flo Sun, Inc	1,800
Pratt & Whitney Aircraft	1,200

## OPERATING INFORMATION

TABLE XVIII  
PALM BEACH COUNTY  
Full-time Equivalent County Government Employees by Function/Program  
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of September 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government										
Facilities Development & Operations	386	392	370	357	346	349	350	350	350	351
Planning, Zoning & Building	400	401	393	389	389	390	380	368	338	334
Clerk & Comptroller	821	803	750	713	731	748	733	734	727	707
Property Appraiser	280	280	276	272	268	261	257	247	244	239
Tax Collector	269	280	284	284	288	288	288	288	258	258
Supervisor of Elections	45	45	41	39	39	36	35	32	32	32
Other	470	489	475	477	499	499	499	499	498	498
Public safety										
Fire-Rescue	1,471	1,418	1,298	1,239	1,172	1,114	1,044	1,004	952	885
Sheriff	3,812	3,615	3,502	3,322	3,210	3,115	3,026	2,928	2,845	2,747
Other	372	368	342	335	275	265	255	249	242	253
Physical environment										
Environmental Resources Management	136	140	132	127	123	116	112	106	102	96
County Cooperative Extension Service	39	39	39	40	38	38	37	39	40	39
Transportation										
Palm Tran (1)	570	570	561	545	539	527	512	496	445	2
Engineering & Public Works	344	352	346	343	338	328	318	314	309	306
Economic environment										
Housing & Community Development	53	49	44	44	42	42	39	41	40	40
Other	60	60	61	62	60	50	51	47	45	41
Human services										
Community services	469	475	478	468	468	468	453	426	443	448
Other	15	16	15	14	14	14	13	12	11	11
Culture & recreation										
Parks & Recreation	699	720	698	634	619	595	554	526	501	473
County Libraries	481	416	394	384	377	369	361	354	332	326
Internal service funds										
Information System Services	225	231	229	223	211	180	176	173	176	167
Graphics	9	9	10	9	9	9	9	9	10	10
Fleet Management	72	69	69	68	68	65	64	64	64	63
Risk Management	37	37	37	36	36	36	36	36	36	33
Enterprise funds										
Airports	159	150	151	151	148	143	138	137	136	134
Water Utilities	518	499	440	433	427	423	416	416	411	411
Solid Waste Authority	439	432	422	413	413	413	413	414	413	410
<b>Total</b>	<b>12,651</b>	<b>12,355</b>	<b>11,857</b>	<b>11,421</b>	<b>11,147</b>	<b>10,881</b>	<b>10,569</b>	<b>10,309</b>	<b>10,000</b>	<b>9,314</b>

(1) Prior to fiscal year 2000, Palm Tran was operated by a private company which was subsidized by the County.

Source: Office of Financial Management and Budget

TABLE XIX  
PALM BEACH COUNTY  
Operating Indicators by Function/Program  
Ten Fiscal Years

Function/Program	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General government										
Planning, Zoning & Building										
Code enforcement violations	3,507	4,464	4,571	2,195	5,073	5,073	6,013	N/A	4,458	4,934
Construction plans reviewed	37,702	65,691	59,288	31,300	42,213	42,213	41,859	44,583	36,522	43,182
Permits issued	53,964	70,751	62,304	30,600	78,379	78,379	49,486	53,037	43,817	55,130
Public safety										
Fire-Rescue										
Response time	N/A	6:27	6:23	6:27	6:31	6:31	6:39	6:39	6:42	6:43
Fire responses	20,714	23,536	22,295	24,835	23,065	24,352	23,319	22,274	20,929	20,076
Medical responses	82,199	76,517	74,706	72,691	67,094	64,729	61,056	56,910	54,677	50,572
Inspections	25,475	22,281	20,079	18,630	16,936	15,632	14,195	11,913	11,354	11,548
Physical environment										
Environmental Resource Management										
Tonnage of artificial reef materials	3,150	4,900	23,484	35,900	23,300	3,000	15,270	16,500	11,200	13,100
Trees and plants planted or arranged	60,000	41,100	54,500	105,300	20,800	24,400	82,434	19,000	20,700	57,000
Cubic yards beach sand (thousands)	1,050	1,087	1,016	1,000	1,301	1,301	1,301	758	161	783
Transportation										
Palm Tran										
Passengers (millions)	10.1	9.3	8.3	7.5	7.1	6.3	5.8	6.2	5.4	5.0
Engineering & Public Works										
Land development permits issued	15	12	26	30	50	30	49	34	73	51
Lane miles of roads maintained	3,299	3,431	3,299	3,291	3,193	3,171	2,960	2,960	2,960	2,960
Lane miles resurfaced	45	35	50	86	62	77	91	64	69	53
Linear feet of roadway striped (millions)	1.1	0.8	1.4	1.7	1.5	1.2	2.2	1.2	1.2	1.6
Permits issued for construction of:										
right-of-ways, drainage and utilities	495	569	554	622	655	645	642	594	634	586
Economic environment										
Housing & Community Development										
Single-family new construction	60	2	0	29	8	8	12	12	28	36
Human services										
Children receiving health services	2,158	2,126	2,068	1,958	2,199	1,849	1,772	1,969	2,070	2,099
Children with disabilities	292	223	232	228	281	193	177	152	176	290
Meals - Head Start (thousands)	461	488	460	756	682	915	425	672	397	835
Culture & recreation										
Parks & Recreation										
Golf rounds played (thousands)	169	142	145	152	154	148	N/A	129	151	157
Program and facility attendance (millions)	N/A	N/A	8.1	8.0	7.6	7.8	7.8	7.5	6.8	6.5
County Library										
Circulation (millions)	6.6	5.8	6.0	6.0	5.7	5.7	5.3	5.1	5.1	4.9
Cardholders (thousands)	499	486	477	469	459	451	445	439	457	440
Internal service funds										
Information System Services										
%CSRs on time - Applications	63%	93%	92%	86%	85%	84%	84%	81%	76%	76%
Graphics										
% timely delivery	99%	98%	99%	99%	99%	99%	99%	100%	96%	95%
Risk Management										
# of employees enrolled in Health ins	5,297	4,191	4,250	3,900	3,800	3,524	N/A	N/A	N/A	N/A
# of employees enrolled in Dental ins	3,298	3,122	3,125	3,100	2,893	2,893	N/A	N/A	N/A	N/A
Enterprise funds										
Water Utilities										
Average water dwelling units served (thousands)	219	207	197	186	181	181	174	164	164	158
Average wastewater treated per day (millions of gallons)	33.4	35.7	36.1	33.2	32.4	31.9	30.7	30.5	30.5	30.4
Airports										
Total passengers (millions)	7.0	6.8	7.0	6.4	5.9	5.4	6.1	5.8	5.7	5.9
Operating expense per passenger (prior years restated)	\$5.84	\$5.84	\$5.41	\$5.59	\$5.81	\$5.98	\$4.82	\$4.60	\$4.72	\$4.41
Operating revenue per passenger (prior years restated)	\$9.43	\$9.44	\$8.73	\$8.23	\$8.08	\$8.26	\$7.95	\$8.62	\$8.88	\$8.54

N/A = Not available

Sources: Office of Financial Management and Budget  
Department of Airports

Note: 2008 data is not yet available.

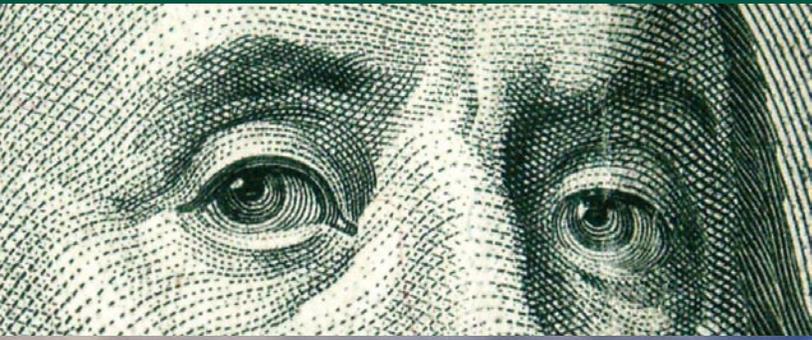
TABLE XX  
PALM BEACH COUNTY  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Public safety										
Fire Rescue										
Fire Stations	45	44	43	40	40	40	39	35	34	33
Transportation										
Palm Tran										
Buses	154	176	160	140	140	139	139	139	128	142
Engineering & Public Works										
County Roads (mileage)	1,285	1,297	1,294	1,295	1,295	1,361	1,361	1,361	1,361	1,361
Traffic Lights	1,150	1,160	1,120	1,095	1,104	1,045	1,045	1,021	997	997
Culture & recreation										
Parks & Recreation										
Developed acres	5,067	5,134	4,817	4,195	3,798	3,786	3,714	3,579	3,484	3,436
Enterprise funds										
Water Utilities *										
Water mains (miles)	2,162	2,081	2,064	1,880	1,784	1,666	1,515	1,423	1,412	1,366
Storage and repump stations	17	18	10	11	11	12	3	3	3	5
Fire hydrants	15,866	15,630	14,834	13,396	12,517	12,013	11,760	10,981	10,857	10,277
Sewers (miles)	1,142	1,132	1,103	953	963	955	868	824	817	784
Pump stations	764	762	750	692	674	650	635	623	612	595

\* Note: In FY2006, the Water Utilities Department revised certain data for prior years.

Source: Office of Financial Management and Budget





SHARON R. BOCK  
Clerk & Comptroller  
Palm Beach County

[www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com)