

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Palm Beach County, Florida
Fiscal Year Ended September 30, 2010



ABOUT THE CLERK & COMPTROLLER'S OFFICE



SHARON R. BOCK
Clerk & Comptroller
Palm Beach County



As the third largest of the 67 Clerk's offices in Florida, the Clerk & Comptroller of Palm Beach County serves a local population of 1.3 million residents. The office performs more than 1,000 different functions and provides services from several locations throughout Palm Beach County and online at 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 public with an 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 is lawful and 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; protects evidence; 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. The Clerk electronically records documents such as mortgages, deeds, liens, judgments and marriage licenses and makes scanned images available online.

CLERK OF THE BOARD OF COUNTY COMMISSIONERS

Documents and maintains the records and activities of all Palm Beach County Commission meetings and other government meetings; ensures accuracy and accessibility of meeting minutes and is the Clerk to the County's Value Adjustment Board.

The Clerk & Comptroller's website at www.mypalmbeachclerk.com makes many services available online, including court case record searches, Official Record searches, Value Adjustment Board petitions, foreclosure sales, County financial information and County Commission meeting minutes and video.

The Clerk & Comptroller has earned the Governor's Sterling Award for Organizational Performance Excellence; an Excellence, Values, Integrity and Ethics 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 21 consecutive years. The GFOA has also recognized the CAFR's sister publication, *Checks & Balances: Your Guide to County Finances*. The user-friendly guide has received an "Outstanding Achievement in Popular Annual Financial Reporting" every year since its Fiscal Year 2006 debut.

PALM BEACH COUNTY, FLORIDA

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

FISCAL YEAR ENDED SEPTEMBER 30, 2010

**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, 2010

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Transmittal Letter of the Clerk & Comptroller	i
Principal Officials.....	viii
Organization Chart.....	ix
Certificate of Achievement for Excellence in Financial Reporting	x
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	xi
Management's Discussion and Analysis.....	xiii
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	2
Statement of Activities	4
Fund Financial Statements	
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
Notes to the Financial Statements.....	27

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

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
Actual Value and Assessed 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
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 28, 2011

To the residents of Palm Beach County, Florida and the
Honorable Karen T. Marcus, Chair, 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, 2010, 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.

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, 2010, 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, 2010, were fairly presented in conformity with GAAP.

301 North Olive Avenue
West Palm Beach, FL 33401

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

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

www.mypalmbeachclerk.com

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 independently elected by and accountable to Palm Beach County residents. In addition to the roles of Chief Financial Officer, Treasurer and Auditor for Palm Beach County, the Clerk & Comptroller is the Clerk of the Circuit Court, County Recorder and Clerk of the Board of County Commissioners

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.

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. 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, 2010, 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.

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 Constitutional 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.

LOCAL ECONOMY

Located on the southeast coast, Palm Beach County is the largest of Florida's sixty-seven counties. The County's 2,228 square miles include 1,977 square miles of land and 251 square miles of surface water, making it one of the largest counties east of the Mississippi River. Significant investment has been made to develop the Biotechnology industry in Palm Beach County, although tourism, construction and agriculture have been and continue to be the leading industries in the County.

Palm Beach County's climate has enhanced its image as a location that provides a high quality of life to its residents. The average temperature is 75 degrees with an average of 82 degrees in the summer and 67 degrees in the winter. The wet season extends from June through October, with an average annual rainfall of 62 inches.

Tourism – Palm Beach County government is making a concentrated and continuing effort to increase the number of visitors to our area each year, which is expected to generate a two percent increase in revenues in fiscal year 2011. This increase will accommodate the recent decline in non ad-valorem revenues in the tourism industry. There are more than 62,000 people employed in jobs related to the tourism industry, with tourists contributing \$1.3 billion annually to the County's economy.

Aerospace - Palm Beach County is particularly strong when it comes to aerospace engineering and manufacturing. Some 850 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, manufactures helicopters at its Florida Assembly and Flight Test Operations Center in northern Palm Beach County.

Agriculture – Palm Beach County agricultural acreage has remained stable for the last four years. Palm Beach County still leads the state of 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 \$250 million, and leads the state in agricultural wages and salary with over \$347 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 and the Max Planck Florida Institute is providing a boost to the area's technology industry. 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.

Construction – During FY 2010, a significant increase in construction and permitting activity was realized over the previous year, in both major areas of residential and non-residential development. In residential, there were 834 single family permit starts and 52 multi-family permit starts compared to 506 and 81 in FY 2009. Total values of FY 2010 residential permit starts were \$238.5 million compared to \$150.8 million in FY 2009. Non-residential work also increased considerably, with the permitted value of new construction in FY 2010 being \$144.3 million compared to \$98 million in FY 2009. Overall, permitting values in FY 2010 increased to \$652 million from \$488 million, representing an increase of 33.6% from the previous year. Influential factors are the fee increases that took place in October 2009 and January 2010 for building permits. Further contributing factors that worked to increase construction include some stabilization in the economy, and a decrease in the inventory of vacant and foreclosed residences.

LONG-TERM FINANCIAL PLANNING

The BOCC adopted a millage rate of 4.3440 mills (excluding debt service) for FY 2010. The FY 2010 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 struggling economy will hamper the County's ability to provide non-essential programs and current levels of services for its citizens. Double digit unemployment is a good indicator of why Sales Tax revenue is down. Although signs of recovery in the housing sector are beginning to appear, the slump in the commercial market is projected to take a bite out of the County's taxable value next year.

RELEVANT FINANCIAL POLICIES

The County has in place a federally approved overhead distribution system which allocates General Fund Administrative Charges to the various County entities benefitting from such administrative activities. The existence of this system assures qualification for federal reimbursement of administrative costs associated with federal programs.

The adopted budget for the Countywide ad-valorem equivalent funds includes undesignated reserves (reserve for balance brought forward and contingency) in an amount which, when combined with the statutory reserve is between 15% and 20% of net budgeted expenditures and transfers for these funds. For purposes of this calculation, Countywide ad-valorem equivalent funds are the General Fund, Sales Tax Fund, and County Transportation Trust Fund.

MAJOR INITIATIVES

On November 2, 2010, 72% of Palm Beach County voters approved a referendum placing the independent *Commission on Ethics* and *Inspector General* into the county charter. In the next several months, ethics laws already in force for county government will expand to all 38 municipalities within Palm Beach County. Authorized under Palm Beach County Ordinance 2009-0049, the Office of Inspector General (OIG) was created and established in Palm Beach County to:

- provide independent oversight of county operations;
- conduct audits and investigations of, require reports from, and receive full and unrestricted access to the records of all county offices;
- promote accountability, integrity, and efficiency in county government;
- detect misconduct involving abuse, corruption, fraud, waste, inefficiencies, and mismanagement by elected and appointed county officials and employees, county agencies and instrumentalities, contractors, and other parties doing business with the county and/or receiving county funds.

The mission of the Palm Beach County Commission on Ethics is to foster integrity in public services, to promote the public's trust and confidence in that service, and to prevent conflicts between private interests and public duties. The Ethics Commission receives and investigates complaints and is charged with enforcement of the Palm Beach County Code of Ethics, Lobbyist registration and Post Employment Ordinances. The commission also issues advisory opinions to county officials, employees and others subject to its jurisdiction such as county vendors, lobbyists and their employers. The commission is composed of five members appointed by various civic, educational and professional associations. The position of commissioner is nonpartisan and nonpolitical.

The BOCC has established the “Green Task Force on Environmental Sustainability and Conservation”. The mission of the task force was to identify actions and policies that can be implemented by the BOCC to encourage a healthier, more resource efficient and environmental sustainable living through efficient buildings and natural resources conservation. On April 22, 2010, application was made by the County to be certified as a Florida Green Local Government. As part of the application process, the County anticipates establishing a Greenhouse Gas Emissions Baseline for Government Operations and develop an Energy Efficiency and Conservation Strategy. The County has received approximately \$6.5 million in American Recovery and Reinvestment Act (ARRA) awards from the Department of Energy, Energy Efficiency and Conservation Block Grant Program for the following projects:

- Digester Biogas Combined Heat and Power Renewable Energy Project
- Palm Beach County Emergency Operations Center-HVAC Upgrade
- Recreational Sports Lighting-Green Generation Lighting
- Traffic Signal Synchronization
- Solar Power for Agricultural Mounts Complex
- Competitive Grants for Local Governmental Organizations.

The County’s 10-year plan to end homelessness outlines the various strategies and timelines to target homelessness and the lack of affordable housing in the County. Significant strides have been made in this endeavor. Most notably is \$8.5 million in grant funding that has been secured for establishing the first of three proposed Homeless Resource Centers. The first of the centers is scheduled to open next year. Moreover, the County has secured \$50 million in ARRA funds to redevelop and rehabilitate 247 units of foreclosed or vacant properties and provide financing mechanisms in the form of mortgage assistance to benefit a total of 408 households. An additional \$28 million will be leveraged to ensure neighborhood stabilization.

The County has made a significant investment in the biotechnology industry. Scripps and the Max Planck Society are two high-profile anchor organizations that are attracting smaller biotech related companies. More than twenty smaller biotech related companies have either expanded operations or begun operating in the area as well – a clear indication of the positive economic impact of the investment the County has made in biotechnology.

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, 2009. This was the 21st 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 GFOA has also given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Palm Beach County, Florida, for its Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2009. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Palm Beach County has received a Popular Award for the last four consecutive years.

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, 2009. This was the 24th time that Palm Beach County received this prestigious 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 this Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated services of the entire Clerk & Comptroller 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.

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

PALM BEACH COUNTY, FLORIDA
PRINCIPAL OFFICIALS
AS OF SEPTEMBER 30, 2010

BOARD OF COUNTY COMMISSIONERS

BURT AARONSON
County Commission Chair
District #5

KAREN T. MARCUS
County Commissioner
District #1

STEVEN L. ABRAMS
County Commissioner
District #4

VACANT
County Commission
District #2

JESS R. SANTAMARIA
County Commissioner
District #6

SHELLEY VANA
County Commissioner
District #3

PRISCILLA A. TAYLOR
County Commissioner
District #7

APPOINTED OFFICIALS

COUNTY ADMINISTRATOR ----- Robert Weisman

COUNTY ATTORNEY ----- Denise Nieman

COMMISSION AUDITOR ----- Joseph F. Bergeron

CONSTITUTIONAL OFFICERS

Sharon R. Bock
CLERK & COMPTROLLER

Susan Bucher
SUPERVISOR OF ELECTIONS

Gary R. Nikolits
PROPERTY APPRAISER

Anne Gannon
TAX COLLECTOR

Ric Bradshaw
SHERIFF

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, 2009

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.





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, 2010, 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 41% of the total assets and 49% 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 44% of the total assets and 43% 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 53% of the total assets and 21% 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, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 28, 2011 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 Revenue 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 28, 2011



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, 2010. 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).

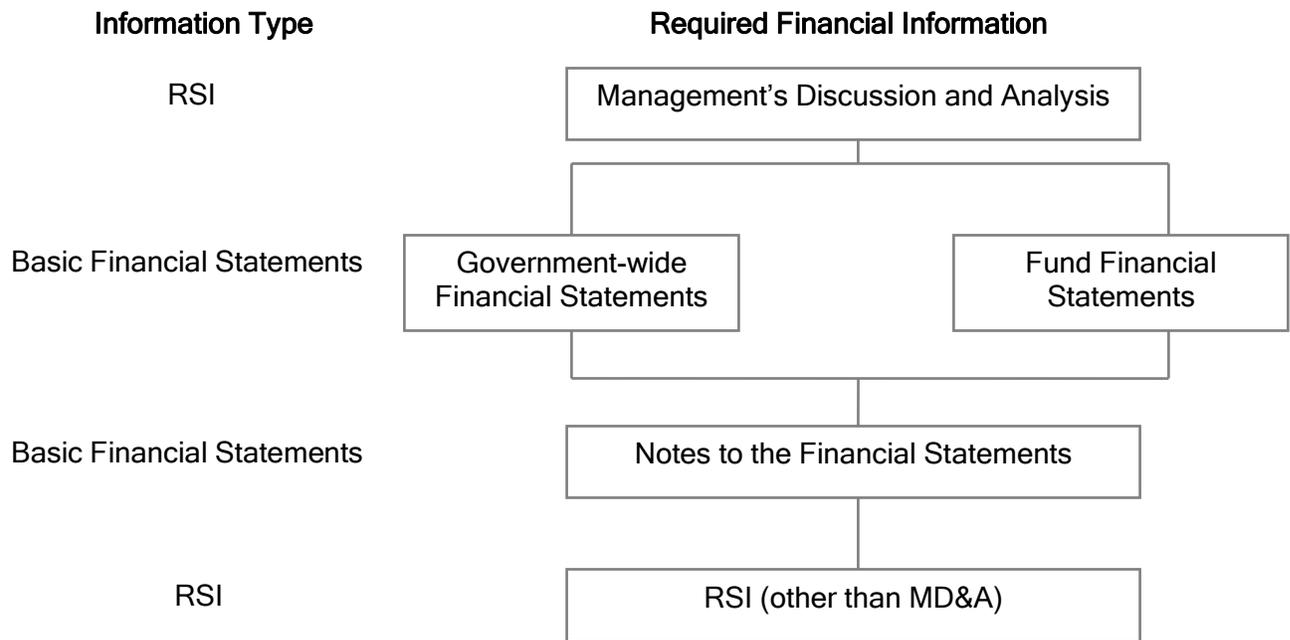
Financial Highlights

- The County's assets exceeded its liabilities (net assets) by approximately \$4.021 billion and \$4.032 billion at the close of fiscal years 2010 and 2009, respectively. Of these amounts, \$2.730 billion and \$2.676 billion were invested in capital assets, net of related debt. In addition, \$876 million and \$893 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, \$415 million and \$463 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 decreased \$11 million, compared to an increase of \$86 million during the previous fiscal year. Business-type activities increased \$24 million, offset by a decrease in governmental activities of \$35 million. An important factor in the overall decrease of the County's net assets was the Water Utility Department's Contribution to the Glades Utility Authority of \$56 million.
- At September 30, 2010, the County's governmental funds reported a combined ending fund balance of \$1.257 billion, a decrease of \$167.3 million or 11.7% from the previous year.
- At September 30, 2010, the unreserved fund balance for the General Fund was \$167.0 million and the total fund balance was \$169.1 million which is a decrease of \$11.7 million or 6.5% from the previous year.
- The County's three enterprise funds had a combined increase in net assets of \$24.1 million. The Department of Airports increase was \$16.2 million, the Water Utilities Department had a decrease of \$32.5 million, and the Solid Waste Authority had an increase of \$40.4 million over the previous year.
- The County's total liabilities at September 30, 2010 and 2009 were \$2.769 billion and \$2.881 billion, respectively.

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 and Risk Management 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 three 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, 2010 and 2009, the County's total net assets, or total assets less liabilities, were \$4.021 billion and \$4.032 billion, respectively. A significant portion of the County's net assets, \$2.730 billion or 67.9%, 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, 2010 and 2009, in all three categories of net assets, for governmental activities, business-type activities, as well as the County as a whole.

Palm Beach County, Florida						
Net Assets at Year-End (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2010	2009	2010	2009	2010	2009
Assets						
Current and other assets	\$ 1,568	\$ 1,735	\$ 905	\$ 1,017	\$ 2,473	\$ 2,752
Capital assets	2,442	2,342	1,875	1,819	4,317	4,161
Total assets	<u>4,010</u>	<u>4,077</u>	<u>2,780</u>	<u>2,836</u>	<u>6,790</u>	<u>6,913</u>
Liabilities						
Current	304	303	102	179	406	482
Long-term debt due in more than one year	1,355	1,388	1,008	1,011	2,363	2,399
Total liabilities	<u>1,659</u>	<u>1,691</u>	<u>1,110</u>	<u>1,190</u>	<u>2,769</u>	<u>2,881</u>
Net Assets						
Invested in capital assets, net of related debt	1,450	1,380	1,280	1,296	2,730	2,676
Restricted	775	791	101	102	876	893
Unrestricted	126	215	289	248	415	463
Total net assets	<u>\$ 2,351</u>	<u>\$ 2,386</u>	<u>\$ 1,670</u>	<u>\$ 1,646</u>	<u>\$ 4,021</u>	<u>\$ 4,032</u>

Governmental activities

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

- Current and other assets for Governmental activities decreased by \$167 million. Much of the change can be attributed to acquisitions of Capital Assets and payments on long-term debt.
- Capital assets for Governmental activities increased by \$100 million. Refer to the subsequent section on Capital assets for additional detail.
- The overall decrease in long-term debt for Governmental activities of \$33 million consists primarily of principal payments made on bonds, notes and loans, primarily offset by increases in claims, judgments and Other Post Employment Benefits.

Governmental activities were responsible for a \$35 million decrease in the County's net assets during fiscal year 2010, as compared with zero net change during the previous fiscal year. This year's \$35 million decrease in net assets from governmental activities is primarily attributed to two factors:

Investment income decreased \$63 million or 46.7% from the previous fiscal year. The decrease was primarily the result of large changes in the fair market value of investments in fiscal year 2009 that were not realized in fiscal year 2010 due to the leveling off of interest rates.

Public Safety expenses increased \$40 million or 5.4% from the previous fiscal year. The increase was primarily due to increased operating costs of the Sheriff's Office.

Additional factors impacting governmental activities during fiscal year 2010 are described below.

Operating grants and contributions increased \$43 million or 34.7% from the previous fiscal year. Reasons for the increase include several large Community Development Block Grants that were received for neighborhood stabilization programs and additional monies received as part of the American Recovery and Reinvestment Act (ARRA).

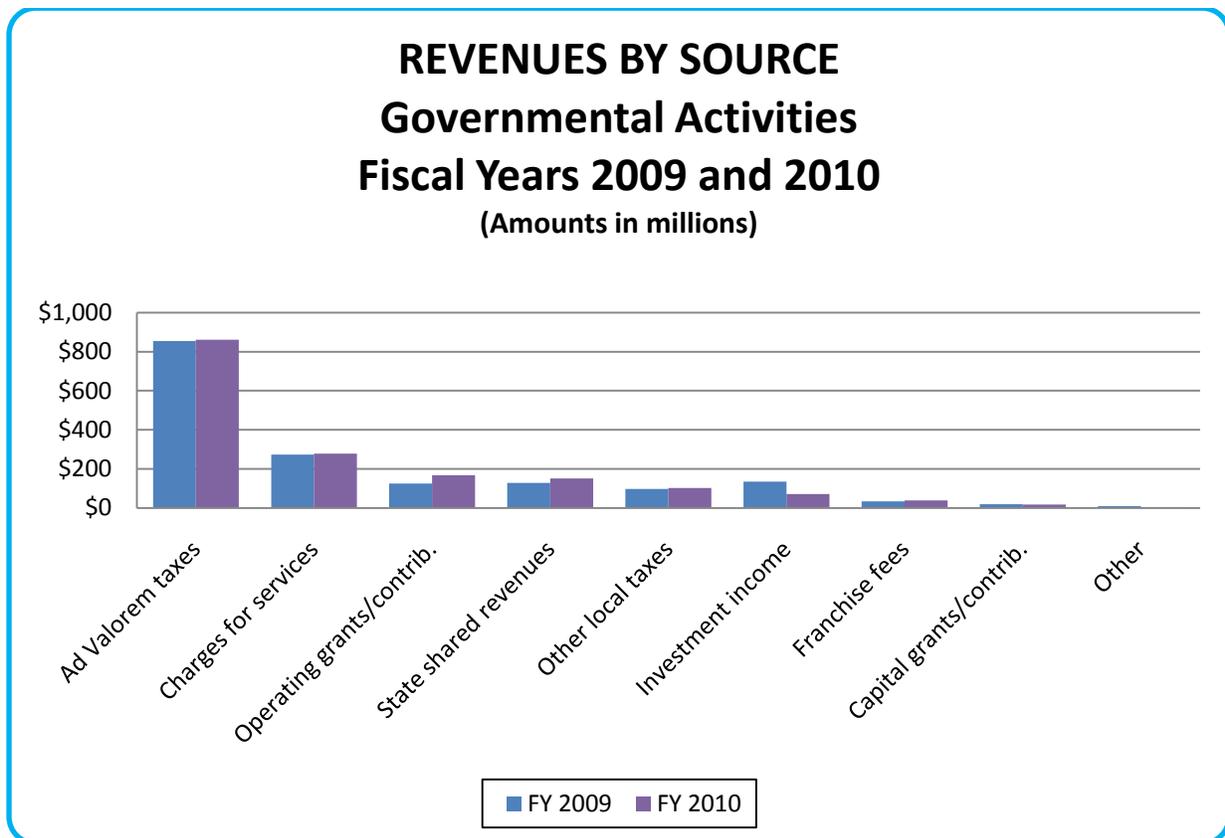
Franchise fees increased \$4 million or 11.8% from the previous fiscal year. Part of the increase is attributable to a new franchise fee agreement with Florida Power & Light which changed the method of calculating the Franchise Fee by eliminating the consideration given for taxes FPL pays to the County.

Physical environment expenses increased \$12 million or 38.7% from the previous fiscal year due in part to increased fiscal activity related to acquisition of environmentally sensitive ecological sites, as well as sand/beach renourishment.

Transportation expenses decreased \$3 million or 1.9% from the previous fiscal year. The decrease was primarily due to more stable fuel prices and lower operating costs during the year.

Economic environment expenses decreased \$17 million or 17.3% from the previous fiscal year due in part to decreasing fiscal activity related to the Scripps/FAU agreement.

The County’s governmental activities had net expenses of \$1.262 billion. 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 \$34 million.



Business-type activities

The County’s business-type activities had total revenues of \$495 million and had total revenues in excess of total expenses of \$79 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 substantial investment in Capital assets, which increased \$56 million during

fiscal year 2010. The Solid Waste Authority was responsible for most of the increase which was related to construction costs for the waste-to-energy facility.

Palm Beach County, Florida						
Changes in Net Assets (in millions)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues:						
Charges for services	\$ 277	\$ 273	\$ 456	\$ 433	\$ 733	\$ 706
Operating grants and contributions	167	124	2	2	169	126
Capital grants and contributions	17	19	30	40	47	59
	<u>461</u>	<u>416</u>	<u>488</u>	<u>475</u>	<u>949</u>	<u>891</u>
General Revenues:						
Ad valorem taxes	861	856			861	856
Other local taxes	102	97			102	97
State shared revenues	151	127			151	127
Franchise fees	38	34			38	34
Investment income	72	135	7	12	79	147
Other	4	9	-	-	4	9
Total revenues	<u>1,689</u>	<u>1,674</u>	<u>495</u>	<u>487</u>	<u>2,184</u>	<u>2,161</u>
Expenses						
General government	371	361			371	361
Public safety	786	746			786	746
Physical environment	43	31			43	31
Transportation	156	159			156	159
Economic environment	81	98			81	98
Human services	106	103			106	103
Culture and recreation	125	120			125	120
Interest expense	55	57			55	57
Department of Airports			77	78	77	78
Water Utilities Department			138	139	138	139
Solid Waste Authority			201	183	201	183
Total expenses	<u>1,723</u>	<u>1,675</u>	<u>416</u>	<u>400</u>	<u>2,139</u>	<u>2,075</u>
Excess	(34)	(1)	79	87	45	86
Transfers In (Out)	(1)	1	1	(1)	-	-
Special Items	-	-	(56)	-	(56)	-
Change in net assets	<u>(35)</u>	<u>-</u>	<u>24</u>	<u>86</u>	<u>(11)</u>	<u>86</u>
Beginning net assets	2,386	2,386	1,646	1,560	4,032	3,946
Ending net assets	<u>\$ 2,351</u>	<u>\$ 2,386</u>	<u>\$ 1,670</u>	<u>\$ 1,646</u>	<u>\$ 4,021</u>	<u>\$ 4,032</u>

Financial Analysis of the Government's Funds

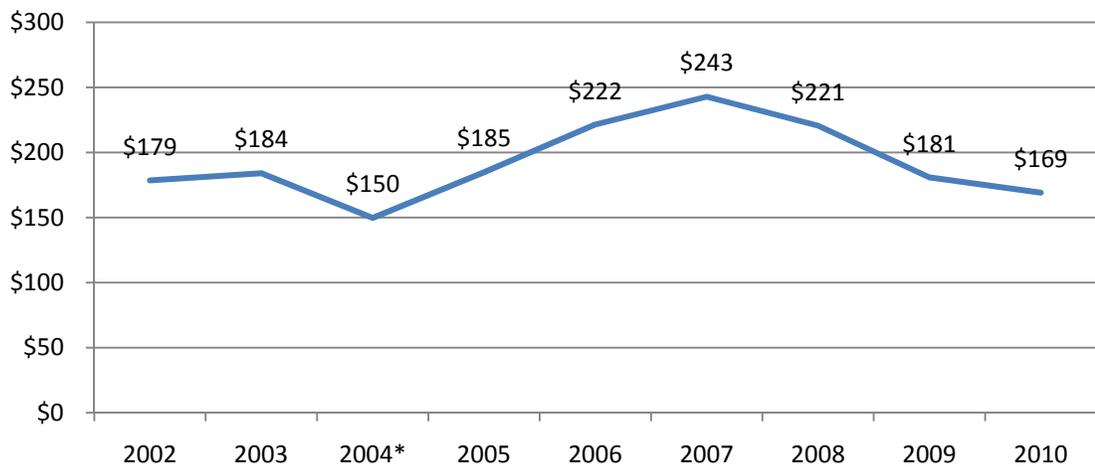
As mentioned earlier, the County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions.

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.

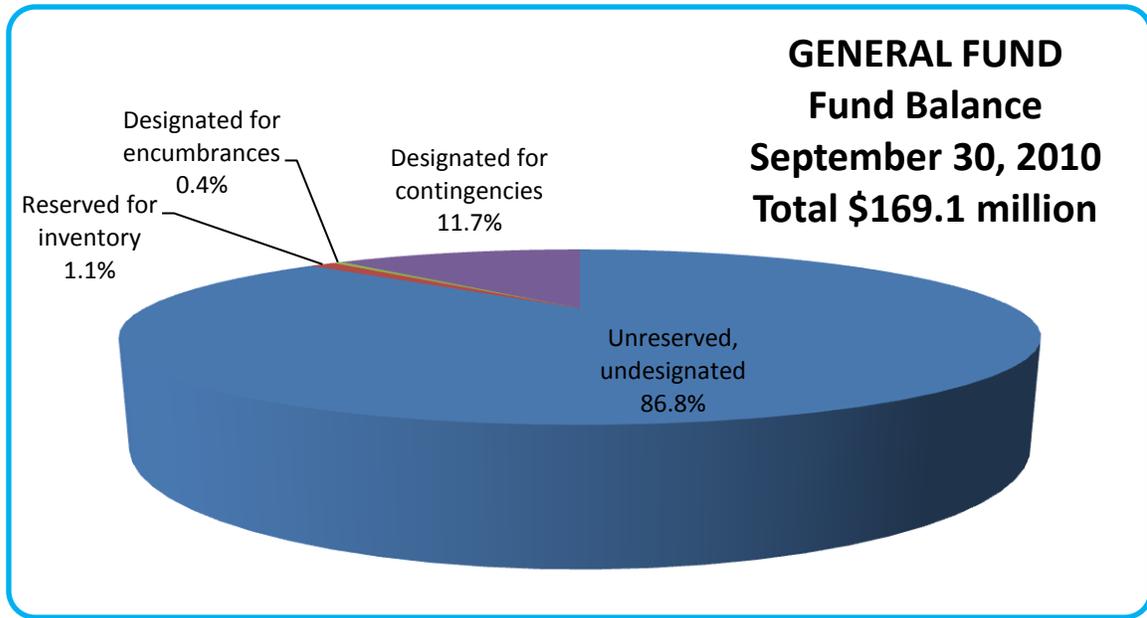
Changes in Fund Balance – Governmental Funds

- The decrease in the General Fund's fund balance of \$11.7 million is attributable to the use of reserves to fund FY 2010 operations.
- The increase in the Fire Rescue Special Revenue Fund of \$11.7 million is attributable to building up reserves to offset future operating needs.
- The decrease of \$5.8 million in the Road Program Capital Projects Fund is due to the spending of County capital projects funds.

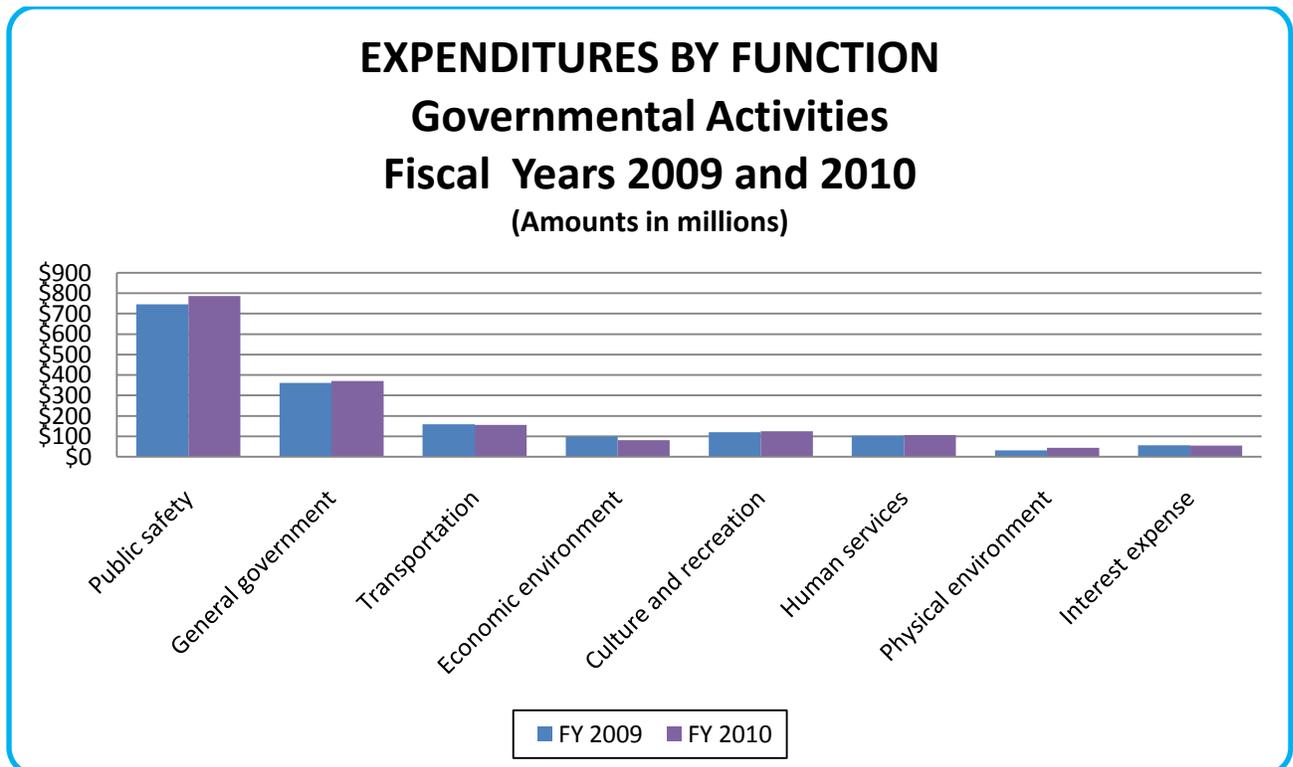
GENERAL FUND BALANCE HISTORY **Fiscal Years 2002 - 2010** (Amounts in millions)



* Decrease due to reclassification of certain funds from the General Fund.



At September 30, 2010, the County's governmental funds reported combined ending fund balances of \$1.257 billion, a decrease of \$167.3 million from the previous year. This decrease was the result of a combination of the \$5.8 million decrease in the ending fund balance of the Road Program Capital Projects Fund; a decrease in the General Fund of \$11.7 million; an increase in the Fire Rescue Special Revenue Fund of \$11.7 million; a decrease in the Sheriff Special Revenue Fund of \$.3 million; and a decrease in Other Governmental Funds of \$161.2 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 increased by less than 1% from \$63.3 million to \$63.5 million. Airline rents increased by \$1.5 million, or 11%, over the prior year, mostly due to increased lease rates charged to airlines. Offsetting this increase was a decrease in car rental revenues of \$774,000 due to decreased sales caused by declining passenger traffic and decreased contract guarantees. Other building and ground rents were less than the prior year; however, the prior year results included a one-time payment, which if excluded, would have resulted in a current year increase of 2.2%.
- ➔ Operating expenses (excluding depreciation and amortization) decreased by 3.4%, decreasing \$1.5 million to \$44.1 million in fiscal year 2010. Fire Rescue costs dropped \$805,000 due to a decrease in staffing. Other cost savings were achieved in Department staffing costs, maintenance and utilities. During fiscal year 2010, management chose not to fill several vacancies that occurred by attrition, some of which occurred due to the County's early retirement offers. The Department as of September 30, 2010 had a staff total of 146 employees compared to 155 on September 30, 2009. No employee raises or cost of living increases were approved in 2010 or in 2009.
- ➔ 2010 Operating income after depreciation was a loss of \$5.7 million compared to a loss of \$6.5 million in 2009. Operating income before depreciation increased \$1.7 million, depreciation and amortization increased \$1 million. Investment income decreased significantly due to lesser rates of return on investment and a more conservative investment policy.

Water Utilities Department:

- ◆ The Department's net assets decreased by \$32.5 million, or 3.5%, during the year.
- ◆ Long-term debt (net of the current portion) decreased by \$9.9 million, or 4.4%, during the year.
- ◆ Operating revenues in fiscal year 2010 totaled \$141.6 million, an 8.8% increase. Fiscal year 2010 also included the effect of rate indexing, a full year of operating the Glades Utility Authority and a 0.5% increase in the customer base.
- ◆ Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled \$90.9 million, an increase of \$1.7 million or 1.9%.
- ◆ Non-operating income decreased by \$2.0 million, or 83.3% in fiscal year 2010.

- ◆ The Department showed income before contributions and transfers of \$10.9 million for fiscal year 2010, an increase of 3,533.3% from fiscal year 2009's net income before contributions and transfers of \$.3 million.

Solid Waste Authority:

- 🏗️ The Authority's assets exceeded its liabilities (net assets) by approximately \$423.5 million at the close of fiscal year 2010. Of this amount, approximately \$82.1 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 \$40.4 million for fiscal year 2010.
- 🏗️ The Authority has continued its aggressive capital renewal and expansion program. This program includes the complete renovation of the Authority's current renewable energy facility and the issuance of a request for proposal and financial planning for the design, construction and operation of a new 3,000 tons per day mass burn renewable energy facility. In fiscal year 2010, the Authority's net capital assets increased by approximately 23.6%. This capital expansion is expected to continue over the next several years.
- 🏗️ The Authority's operating revenue increased from the prior year by approximately 5.4% and operating expenses increased by approximately 12.5%. The increase in operating expenses was largely the result of higher landsite expenses resulting from an increase in the estimated future costs associated with the closure and long-term maintenance of the Authority's landfill. The Authority's debt service coverage for fiscal year 2010 remained strong at 161% of debt service requirements.
- 🏗️ Subsequent to the close of the 2010 fiscal year, the Authority issued \$750,000,000 Improvement Revenue Bonds, Series 2010 to fund the costs associated with the construction of a new 3,000 tons per day renewable energy facility. Initially, the proceeds from the sale of the bonds were deposited into a special fund and invested in U.S. Treasury Securities – State and Local Government Series. This special fund will secure the bonds until the bonds are remarketed in January of 2012. At that time the moneys in the special fund will be made available to the Authority to fund construction costs.

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 2010, supplemental appropriations to the Board of County Commissioners' budget excluding component units, were approximately \$368.5 million, or approximately 9.0% of the original adopted budget.

Differences between the original budget for fiscal year 2010 and the final amended budget for the General Fund can be summarized as follows:

- On May 18, 2010, the Board amended the budget to reflect the “true up” of the original budgeted beginning fund balance to the actual fund balance, which accounts for a \$24.5 million adjustment to the reserves for balances forward in the General Government budget, established a \$3.8 million “Reserve for Tax Stabilization”, reduced the transfer to the Sales Tax Fund for debt service obligations in the amount of \$2.5 million, and the remaining \$.3 million for transfers for various Special Revenue and general government expenses. The revenue budget was amended to establish a \$1.5 million transfer from the Property and Casualty Insurance Fund.
- During the year, the Public Safety Department budget was amended to recognize the award of a \$1.7 million Recovery Act Edward Byrne Memorial Justice Assistance grant.
- During the year, the budget was amended by \$4.4 million to recognize reimbursement from FEMA for hurricanes Frances and Jeanne to establish budget for pass through payment to the Solid Waste Authority and to re-appropriate budget between various departments.
- During the year, the Board amended various budget amendments that were not significant in nature.

Budget to Actual Expenditures

- General Fund budgeted reserves had a balance at year-end of \$106 million, which represents 80% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into FY 2011 and will be re-appropriated.
- The Tax Collector and Property Appraiser returned/under spent approximately \$700,000.
- The remaining unspent funds can be attributed to County departments spending less than budgeted.

Budget to Actual Revenues

- 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 \$3.5 million.

- While State Revenue Sharing exceeded the budget in FY 2010 by \$2 million, actual collections were slightly less than the previous year.
- Electric Utility Tax collections exceeded the budget by \$4.6 million. While this is also an increase over the previous year collection, the FY 2011 budget reflects more accurate budget projections.
- Investment income fell short of budget by \$5.8 million. GASB 31 has made it difficult to project investment income that will be recognized. Fair market gains and losses cannot be projected accurately, resulting in possible variances in recognized income.

Budget to Actual – Other financing sources

- Actual excess fees (transfers in) received from the Sheriff and the Supervisor of Elections amounted to \$18.2 million, of which no amount was budgeted. The Clerk & Comptroller returned \$1.4 million in excess fees, \$.9 million more than the final budget.

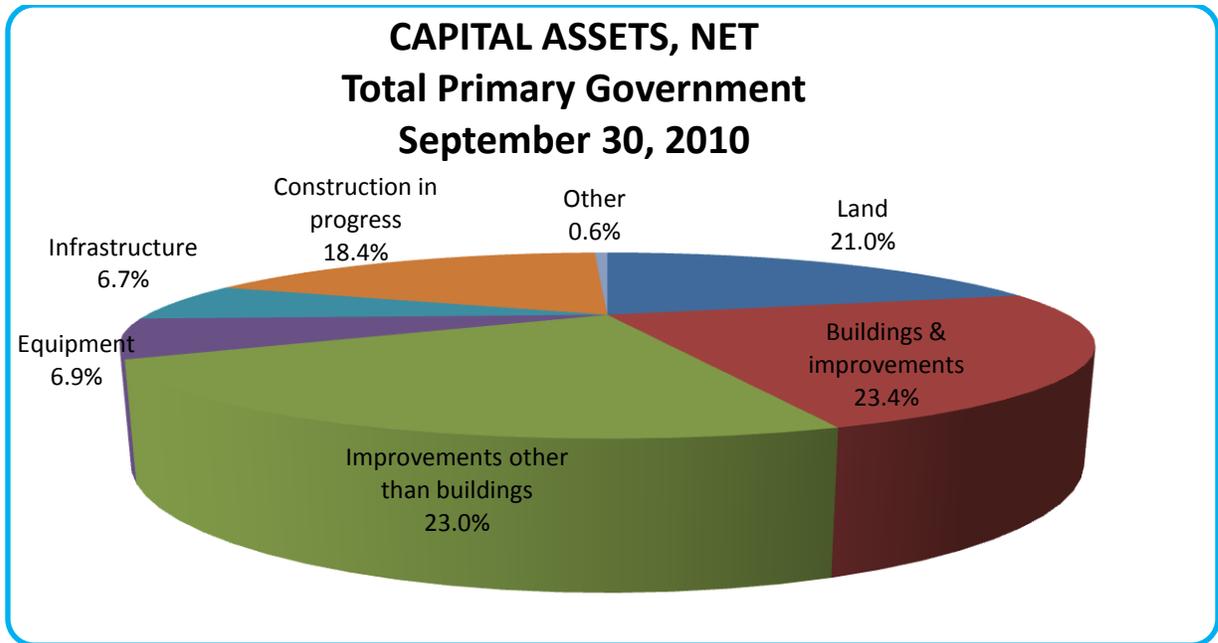
Capital Assets and Debt Administration

Capital assets. The County’s investment in capital assets for its governmental and business-type activities as of September 30, 2010, amounts to \$4.317 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 2010 was 3.7% (a 4.3% increase for governmental activities and a 3.1% increase for business-type activities).

Palm Beach County, Florida							
Capital Assets, net of Accumulated Depreciation at Year-End (in millions)							
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT		
	2010	2009	2010	2009	2010	2009	
Primary Government:							
Land	\$ 741	\$ 741	\$ 163	\$ 162	\$ 904	\$ 903	
Buildings & improvements	576	541	436	459	1,012	1,000	
Improvements other than buildings	138	130	857	906	995	1,036	
Equipment	192	197	104	126	296	323	
Infrastructure	289	288	-	-	289	288	
Intangible - easement rights	-	-	12	13	12	13	
Leasehold interest	-	-	7	8	7	8	
Goodwill	-	-	6	6	6	6	
Construction in progress	506	445	290	139	796	584	
TOTALS	\$ 2,442	\$ 2,342	\$ 1,875	\$ 1,819	\$ 4,317	\$ 4,161	

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

- Substantially completed projects during fiscal year 2010 include \$16.4 million for Hypoluxo Road West of Lyons/West of Hagen Ranch Road, \$8.8 million for Warehouse Facility Construction, \$8.4 million for the new West Boca Branch Library and \$1.2 million for the Phil Foster Boater Support Facilities.
- Governmental activities Net Capital assets increased overall by \$100 million due to acquisitions of \$35 million for buildings and improvements, \$8 million for improvements other than buildings, a decrease of \$5 million in equipment, additions of \$1 million to infrastructure, and \$61 million added to Construction in progress.
- Business-type activities Net Capital assets increased overall by \$56 million, or 3.1% to \$1.875 billion.
- Major projects by the Water Utilities Department include the construction of the Florida Power and Light reclaimed water system for \$10.0 million, improvements to the treatment process at Water Treatment Plant #2 for \$6.8 million, and construction of plant improvements to the Southern Region Water Reclamation Facility for \$5.7 million.
- During fiscal year 2010, the Solid Waste Authority's capital assets increased approximately \$140.5 million, which included approximately \$4.5 million for equipment, \$93 million for construction costs associated with the refurbishment of the waste-to-energy facility, \$10.9 million for costs associated with the construction of the southwest county transfer station and \$4 million for costs associated with the design and engineering for the new mass burn facility. Additionally, completed projects of approximately \$5.3 million were closed from construction-in-progress to their respective capital accounts and interest expense of approximately \$16.9 million was capitalized.
- The Department of Airports expended \$26.6 million on capital activities. Completed projects during 2010 totaling \$19.5 million were transferred from construction-in-progress to their respective capital accounts. The major project during fiscal year 2010 was completion of an expansion of Apron A, which will allow for additional commercial aircraft parking.



See Note 4, *Capital Assets*, in the *Notes to the Financial Statements* for additional information.

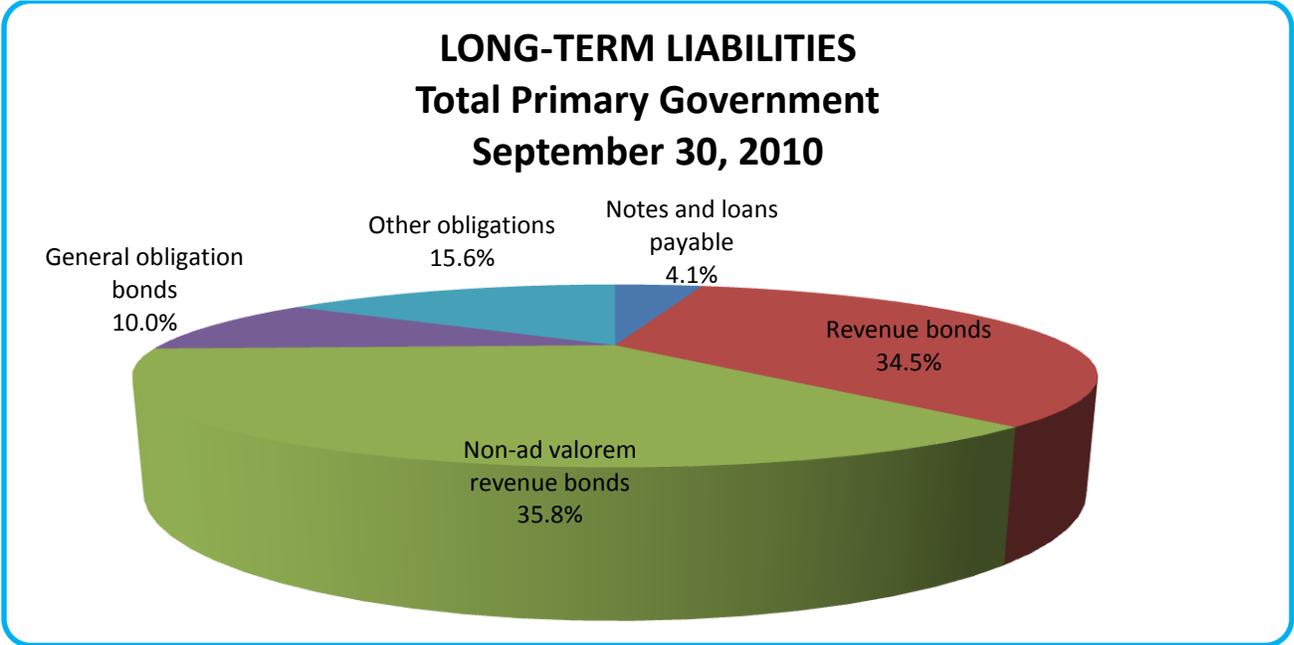
Long-term liabilities. At September 30, 2010, the primary government had 51 issues of bonded debt totaling \$2.010 billion. Of this amount, \$251 million comprises debt backed by the full faith and credit of the government, \$895 million is special obligation debt secured by dedicated revenue sources and \$864 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 millions)							
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT		
	2010	2009	2010	2009	2010	2009	
General obligation bonds	\$ 251	\$ 273	\$ -	\$ -	\$ 251	\$ 273	
Non-ad valorem revenue bonds	895	942	-	-	895	942	
Revenue bonds	-	-	864	957	864	957	
Notes and loans payable	30	41	72	76	102	117	
Other obligations	295	256	96	77	391	333	
TOTALS	\$ 1,471	\$ 1,512	\$ 1,032	\$ 1,110	\$ 2,503	\$ 2,622	

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, 2010, the County's non-ad valorem revenues were 3.72 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&P</u>
General obligation bonds	Aaa	AAA	AAA
Non-ad valorem revenue bonds	Aa1	AA+	AA+
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



See Note 15, *Long-Term Debt*, in the *Notes to the Financial Statements* for additional information.

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.

- For the third year in a row, the County's population decreased. Population in 2010 was 1,286,461 compared with 1,287,344 in 2009.
- The civilian labor force for Palm Beach County decreased from 626,400 at September 30, 2009 to 623,320 at September 30, 2010, a decrease of approximately .05%. The County's unemployment rate increased to 12.4% at September 30, 2010 compared to 11.7% at the beginning of the fiscal year.
- The assessed value of taxable property located in the county (after exemptions) fell from \$141.4 billion in 2009 to \$127.3 billion in 2010. This represented a decrease of \$14.1 billion or 10.0%. Gross property taxes levied for fiscal year 2010 increased from \$890.9 million in 2009 to \$898.8 million for 2010, an increase of \$7.9 million or almost 1.0%.
- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 11.3% of the total ad valorem property taxes levied.
- Residential building permits issued in Palm Beach County for both single family and multi-family units rose from 1,307 in fiscal year 2009 to 1,573 in fiscal year 2010, an increase of 20%.
- West Palm Beach area existing home sales increased from 8,684 in 2009 to 9,584 in 2010, an increase of 10%.
- Foreclosure filings in Palm Beach County fell from 31,678 in 2009 to 19,840 in 2010, a decrease of 37%.

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, 11th 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, 2nd 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, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments (note 2)	\$ 1,460,081,756	\$ 757,968,537	\$ 2,218,050,293
Interest receivable	279,660	933,574	1,213,234
Accounts receivable - net	22,075,230	24,036,883	46,112,113
Internal Balances	(5,829,791)	5,829,791	-
Due from primary government	-	-	-
Due from other governments	42,724,573	8,260,662	50,985,235
Due from component units	43,258	-	43,258
Inventory	14,285,431	21,485,831	35,771,262
Other assets	6,197,148	2,916,408	9,113,556
Other receivable - noncurrent	17,448,347	17,590,911	35,039,258
Investment in joint ventures	-	51,661,745	51,661,745
Deferred issue costs	9,682,700	13,722,458	23,405,158
Capital assets (note 4)			
Non-depreciable capital assets	1,247,031,482	452,800,233	1,699,831,715
Depreciable capital assets, net	1,195,427,812	1,422,576,480	2,618,004,292
Total assets	4,009,447,606	2,779,783,513	6,789,231,119
LIABILITIES			
Vouchers payable and accruals	112,393,681	48,100,111	160,493,792
Due to primary government	-	-	-
Due to other governments	22,722,321	3,669,105	26,391,426
Due to component units	6,288,610	-	6,288,610
Due to individuals	1,220,383	5,825,242	7,045,625
Accrued interest payable	18,381,385	19,835,891	38,217,276
Unearned revenue	14,904,827	433,879	15,338,706
Other current liabilities	11,607,300	448,000	12,055,300
Long-term liabilities (note 15)			
Long-term liabilities due within one year	116,378,465	23,845,866	140,224,331
Long-term liabilities due more than one year	1,354,841,504	1,007,645,526	2,362,487,030
Total liabilities	1,658,738,476	1,109,803,620	2,768,542,096
NET ASSETS			
Invested in capital assets, net of related debt	1,450,011,423	1,279,889,595	2,729,901,018
Restricted for:			
Debt service	30,684,844	21,137,162	51,822,006
Capital projects	402,613,325	51,997,162	454,610,487
School district impact fee land acquisition	1,336,725	-	1,336,725
Library taxing district	42,262,076	-	42,262,076
Fire rescue taxing district	143,653,926	-	143,653,926
Tourist development tax programs	32,279,979	-	32,279,979
Grants and other	122,299,368	27,687,898	149,987,266
Unrestricted	125,567,464	289,268,076	414,835,540
Total net assets	\$ 2,350,709,130	\$ 1,669,979,893	\$ 4,020,689,023

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	\$ 4,830,113	\$ 2,274,715
-	18,893	-
-	-	269,000
-	-	-
252,679	6,035,931	-
314,022	1,759	-
-	-	-
-	-	-
-	13,263	2,692,503
-	-	-
-	-	-
-	-	78,306
-	-	3,451,275
-	-	422,482
<u>566,801</u>	<u>10,899,959</u>	<u>9,188,281</u>
53,588	120,760	90,004
3,891	39,367	-
20,343	-	-
-	-	-
-	-	-
-	-	-
231,498	-	-
-	195,000	3,500
11,594	-	613,416
171,788	-	3,487,140
<u>492,702</u>	<u>355,127</u>	<u>4,194,060</u>
-	-	3,613,757
-	-	326,996
-	-	890,879
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
74,099	10,544,832	162,589
<u>\$ 74,099</u>	<u>\$ 10,544,832</u>	<u>\$ 4,994,221</u>

PALM BEACH COUNTY, FLORIDA
Statement of Activities
For the fiscal year ended September 30, 2010

	Expenses		Program Revenues		
	Direct	Indirect	Fines, Fees and Charges for Services	Operating Grants, Contributions and Restricted Interest Income	Capital Grants and Contributions
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 387,864,155	\$ (16,716,052)	\$ 103,620,685	\$ 9,879,267	\$ 7,853,595
Public Safety	780,051,092	6,420,664	115,863,889	18,924,734	276,281
Physical Environment	43,167,022	-	17,133,350	4,304,067	2,444,133
Transportation	156,220,175	-	18,614,170	48,068,756	6,334,638
Economic Environment	80,866,107	547,474	3,437,443	40,140,349	414,813
Human Services	105,190,475	412,270	3,348,276	43,154,799	-
Culture and Recreation	120,895,062	4,220,958	15,373,433	1,928,762	12,580
Interest Expense	54,553,591	-	-	-	-
Total Governmental Activities	1,728,807,679	(5,114,686)	277,391,246	166,400,734	17,336,040
Business Activities					
Department of Airports	75,539,753	1,405,685	76,165,984	-	14,131,463
Water Utilities Department	134,827,787	3,602,792	141,616,613	-	14,641,309
Solid Waste Authority	201,080,621	-	238,743,084	1,587,479	1,146,970
Total Business Activities	411,448,161	5,008,477	456,525,681	1,587,479	29,919,742
Total Primary Government	\$ 2,140,255,840	\$ (106,209)	\$ 733,916,927	\$ 167,988,213	\$ 47,255,782
COMPONENT UNITS					
Metropolitan Planning Organization	\$ 2,003,203	\$ 106,209	\$ 71	\$ 2,174,309	\$ -
Housing Finance Authority	484,159	-	493,083	750,881	-
Westgate/Belvedere CRA	1,680,203	-	-	-	-
Total Component Units	\$ 4,167,565	\$ 106,209	\$ 493,154	\$ 2,925,190	\$ -
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					
Other general revenues					
Transfers - net					
Special Item					
Total general revenues, transfers and special item					
Increase (decrease) in net assets					
Beginning net assets					
Ending net assets					

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
\$ (249,794,556)	\$ -	\$ (249,794,556)	\$ -	\$ -	\$ -
(651,406,852)	-	(651,406,852)	-	-	-
(19,285,472)	-	(19,285,472)	-	-	-
(83,202,611)	-	(83,202,611)	-	-	-
(37,420,976)	-	(37,420,976)	-	-	-
(59,099,670)	-	(59,099,670)	-	-	-
(107,801,245)	-	(107,801,245)	-	-	-
(54,553,591)	-	(54,553,591)	-	-	-
<u>(1,262,564,973)</u>	<u>-</u>	<u>(1,262,564,973)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	13,352,009	13,352,009	-	-	-
-	17,827,343	17,827,343	-	-	-
-	40,396,912	40,396,912	-	-	-
<u>-</u>	<u>71,576,264</u>	<u>71,576,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (1,262,564,973)</u>	<u>\$ 71,576,264</u>	<u>\$ (1,190,988,709)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 64,968	\$ -	\$ -
-	-	-	-	759,805	-
-	-	-	-	-	(1,680,203)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,968</u>	<u>\$ 759,805</u>	<u>\$ (1,680,203)</u>
\$ 860,977,954	\$ -	\$ 860,977,954	\$ -	\$ -	\$ 1,954,765
33,837,191	-	33,837,191	-	-	-
44,949,024	-	44,949,024	-	-	-
23,219,185	-	23,219,185	-	-	-
64,268,114	-	64,268,114	-	-	-
38,512,546	-	38,512,546	-	-	-
87,130,547	-	87,130,547	-	-	-
71,620,542	7,506,002	79,126,544	-	-	1,895
3,638,664	-	3,638,664	-	-	600,924
(1,001,252)	1,001,252	-	-	-	-
-	(56,381,415)	(56,381,415)	-	-	-
<u>1,227,152,515</u>	<u>(47,874,161)</u>	<u>1,179,278,354</u>	<u>-</u>	<u>-</u>	<u>2,557,584</u>
(35,412,458)	23,702,103	(11,710,355)	64,968	759,805	877,381
<u>2,386,121,588</u>	<u>1,646,277,790</u>	<u>4,032,399,378</u>	<u>9,131</u>	<u>9,785,027</u>	<u>4,116,840</u>
<u>\$ 2,350,709,130</u>	<u>\$ 1,669,979,893</u>	<u>\$ 4,020,689,023</u>	<u>\$ 74,099</u>	<u>\$ 10,544,832</u>	<u>\$ 4,994,221</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.

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, 2010

	MAJOR FUNDS		
	General	Fire Rescue Special Revenue Fund	Sheriff Special Revenue Fund
ASSETS			
Cash and cash equivalents	\$ 141,660,702	\$ 133,065,468	\$ 69,436,257
Investments	-	-	-
Accounts receivable, net	10,309,975	978,754	279,712
Due from other county funds	63,745,645	2,678,911	36,605
Due from other governments	3,167,701	1,746,913	1,425,878
Due from component unit	39,367	-	-
Inventory	2,075,220	2,368,782	3,511,957
Other assets	3,330	75	147,875
Other receivable, noncurrent	-	-	-
Total assets	\$ 221,001,940	\$ 140,838,903	\$ 74,838,284
LIABILITIES			
Vouchers payable and accrued liabilities	\$ 10,620,548	\$ 11,875,930	\$ 27,991,135
Due to other county funds	18,181,325	2,737,047	22,033,251
Due to other governments	2,405,310	54,561	7,042,512
Due to component unit	6,284,907	-	-
Due to individuals	-	-	165
Insurance claims payable	-	-	1,556,388
Deferred and unearned revenue	14,180,665	-	-
Other liabilities	213,188	-	9,312,449
Total liabilities	51,885,943	14,667,538	67,935,900
FUND BALANCE			
Fund balances:			
Reserved for debt service	-	-	-
Reserved for inventory	2,075,220	2,368,782	3,511,957
Reserved for noncurrent loans receivable	-	-	-
Unreserved, reported in:			
General Fund	167,040,777	-	-
Special Revenue Funds	-	123,802,583	3,390,427
Capital Projects Funds	-	-	-
Total fund balance	169,115,997	126,171,365	6,902,384
Total liabilities and fund balance	\$ 221,001,940	\$ 140,838,903	\$ 74,838,284

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

Road Program Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 357,576,146	\$ 659,947,350	\$ 1,361,685,923
-	127,560	127,560
-	8,613,052	20,181,493
-	26,968,149	93,429,310
3,644,484	32,434,389	42,419,365
-	-	39,367
-	4,785,172	12,741,131
-	1,752,409	1,903,689
-	17,448,347	17,448,347
<u>\$ 361,220,630</u>	<u>\$ 752,076,428</u>	<u>\$ 1,549,976,185</u>
\$ 7,561,462	\$ 45,258,100	\$ 103,307,175
1,394,360	55,246,714	99,592,697
304,260	12,770,738	22,577,381
-	-	6,284,907
-	1,117,190	1,117,355
-	-	1,556,388
-	32,873,708	47,054,373
-	2,081,663	11,607,300
<u>9,260,082</u>	<u>149,348,113</u>	<u>293,097,576</u>
-	28,977,136	28,977,136
-	4,785,172	12,741,131
-	2,050,000	2,050,000
-	-	167,040,777
-	159,560,260	286,753,270
351,960,548	407,355,747	759,316,295
<u>351,960,548</u>	<u>602,728,315</u>	<u>1,256,878,609</u>
<u>\$ 361,220,630</u>	<u>\$ 752,076,428</u>	<u>\$ 1,549,976,185</u>

PALM BEACH COUNTY, FLORIDA

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets - Governmental Activities
September 30, 2010

Fund balance for total of governmental funds (page 9) \$ 1,256,878,609

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

Report internal service funds as governmental activities

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	\$ 64,575,591	
Less amount due to business-type activities for 'look-back' allocation	(4,677,601)	
Plus amount due from component units for 'look-back' allocation	<u>(3,703)</u>	
		59,894,287

Report as a liability general long-term debt obligations

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	(250,470,000)	
Non-ad valorem bonds payable	(877,633,232)	
Notes and loans payable	(30,316,668)	
Compensated absences	(127,312,861)	
Net OPEB Obligation	(50,934,055)	
Claims and judgments	(34,469,496)	
Unamortized premium	(29,955,848)	
Arbitrage accrued	(13,405,781)	
Net Pension Obligation	(2,753,378)	
Termination benefits	(1,766,504)	
Deferred loss on refundings	<u>12,114,241</u>	
		(1,406,903,582)

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.

Non-depreciable capital assets	1,247,031,482	
Depreciable capital assets, net of accumulated depreciation	<u>1,169,995,821</u>	
		2,417,027,303

Report adjustments to convert from modified accrual to full accrual

Interest Receivable

Interest receivable on special assessments is not due and available in the current period and therefore is not reported in the governmental fund statements. 279,660

Net OPEB Obligation Asset

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. 81,992

Deferred Issue Costs

Issue cost for new debt is reported as a deferred charge and amortized over the life of the debt as an expense. However, issue costs are recorded as expenditures in the governmental fund statements. 9,682,700

Accrued Interest Payable

Accrued Interest Payable that is not due and payable in the current period is not reported in the governmental fund statements (18,381,385)

Deferred Revenue

Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements. 32,149,546

23,812,513

Net assets of governmental activities (page 2) \$ 2,350,709,130



PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended September 30, 2010

	MAJOR FUNDS		
	General	Fire Rescue Special Revenue Fund	Sheriff Special Revenue Fund
Revenues:			
Taxes (net of discount)	\$649,765,008	\$ 203,147,840	\$ -
Special assessments	-	276,281	-
Licenses and permits	35,430,154	8,075	-
Intergovernmental	30,739,104	332,113	-
Charges for services	107,503,398	30,351,960	2,009,600
Less - excess fees paid out	-	-	-
Fines and forfeitures	1,193,681	-	149,288
Investment income	11,974,343	6,989,201	205,404
Miscellaneous	8,318,178	666,441	19,822
Total revenues	844,923,866	241,771,911	2,384,114
Expenditures:			
Current:			
General government	132,892,454	-	23,333,002
Public safety	34,489,977	229,389,213	440,313,997
Physical environment	12,238,547	-	-
Transportation	4,235,000	-	-
Economic environment	25,505,652	902,129	-
Human services	49,276,737	-	-
Culture and recreation	56,158,487	-	-
Capital outlay	733,464	6,257,197	16,209,221
Debt service	106,308	-	-
Total expenditures	315,636,626	236,548,539	479,856,220
Excess of revenues over (under) expenditures	529,287,240	5,223,372	(477,472,106)
Other financing sources (uses):			
Transfers in	43,729,520	6,960,493	493,060,880
Transfers out	(584,788,629)	(269,984)	(15,902,984)
Issuance of long-term debt	-	-	-
Issuance of refunding debt	-	-	-
Premium on refunding debt	-	-	-
Payment to escrow agent for refunding	-	-	-
Total other financing sources (uses)	(541,059,109)	6,690,509	477,157,896
Net change in fund balances	(11,771,869)	11,913,881	(314,210)
Fund balances, October 1, 2009	180,863,197	114,477,550	7,216,594
Increase (decrease) in reserves, inventory	24,669	(220,066)	-
Fund balances, September 30, 2010	\$ 169,115,997	\$ 126,171,365	\$ 6,902,384

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

	Road Program Capital Projects	Other Governmental Funds	Total Governmental Funds
\$	32,941,849	\$ 104,677,682	\$ 990,532,379
	6,527,476	7,477,064	14,280,821
	-	16,192,808	51,631,037
	18,118,579	232,662,567	281,852,363
	-	130,534,531	270,399,489
	-	(42,088,065)	(42,088,065)
	-	6,491,692	7,834,661
	16,517,138	31,214,930	66,901,016
	10,045,566	7,742,344	26,792,351
	<u>84,150,608</u>	<u>494,905,553</u>	<u>1,668,136,052</u>
	2,572,207	161,730,494	320,528,157
	-	20,899,124	725,092,311
	-	29,491,873	41,730,420
	5,784,868	111,524,054	121,543,922
	-	54,668,006	81,075,787
	-	53,879,184	103,155,921
	-	50,999,803	107,158,290
	47,815,571	135,186,833	206,202,286
	-	140,112,483	140,218,791
	<u>56,172,646</u>	<u>758,491,854</u>	<u>1,846,705,885</u>
	<u>27,977,962</u>	<u>(263,586,301)</u>	<u>(178,569,833)</u>
	814,000	252,266,502	796,831,395
	(34,552,020)	(151,206,737)	(786,720,354)
	-	1,426,000	1,426,000
	-	31,128,107	31,128,107
	-	1,114,948	1,114,948
	-	(31,998,005)	(31,998,005)
	<u>(33,738,020)</u>	<u>102,730,815</u>	<u>11,782,091</u>
	(5,760,058)	(160,855,486)	(166,787,742)
	357,720,606	763,917,571	1,424,195,518
	-	(333,770)	(529,167)
\$	<u>351,960,548</u>	<u>\$ 602,728,315</u>	<u>\$ 1,256,878,609</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, 2010

Net increase (decrease) in fund balances for total governmental funds (page 13) \$ (166,787,742)

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 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	\$ (24,966,454)	
Plus current year allocation of internal service funds to business-type activities	414,861	
Plus current year allocation of internal service funds to component units	(9,008)	
Plus fund closure of noncurrent resources already reported in governmental activities	1,141,415	(23,419,186)

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 (32,554,107)

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 (1,114,948)
 Current year amortization & retirement of premium / discount 3,121,808

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 refunding (gain) loss deferred 1,406,618
 Current year amortization of deferred refunding gain / loss (868,984)

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.

109,666,393

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	\$ (1,461,065)	
Arbitrage fund liabilities paid during the year	2,801,642	
		1,340,577
(Increase) Decrease in Net OPEB Obligation		(22,158,522)
(Increase) Decrease in estimated self-insurance obligation		(2,722,932)
(Increase) Decrease in termination benefits		(384,854)
(Increase) Decrease in Net Pension Obligation- Palm Tran		(2,501,372)
(Increase) Decrease in compensated absences liability		(5,436,092)
		47,793,585

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, 2010

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.	205,423,708		
Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue.		7,606,188	
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.	(105,897,784)		
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.	(4,519,627)		
			102,612,485

Report other adjustments for converting from modified accrual to full accrual

Net Increase (Decrease) in deferred issue costs:			
Current year debt issue costs deferred	233,136		
Current year amortization & retirement of deferred issue costs	(876,224)		
		(643,088)	
Increase (Decrease) in inventory		(529,167)	
Increase (Decrease) in accrued interest receivable		3,048	
Increase (Decrease) in Net OPEB Obligation Asset		(126,375)	
(Increase) Decrease in due to other governments		25,870	
(Increase) Decrease in accrued interest payable		1,034,020	
(Increase) Decrease in deferred revenue		4,624,092	
			4,388,400

Increase (decrease) in net assets of governmental activities (page 5)	\$ (35,412,458)
--	------------------------

PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2010

	Business-type Activities -	
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 38,191,662	\$ 91,585,633
Cash and cash equivalents - restricted	-	23,484,994
Interest receivable - restricted	-	-
Interest receivable	-	700,300
Accounts receivable, net	1,901,541	15,136,034
Due from other county funds	-	35,838
Due from other governments	4,847,487	3,413,175
Due from component unit	-	-
Inventory	1,133,149	7,159,724
Current portion of other receivables	120,173	745,352
Other assets	1,189,018	261,878
Total current assets	47,383,030	142,522,928
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	52,283,135	22,155,356
Cash with fiscal agent	13,804,022	-
Accounts receivable, net	1,662,224	-
Total noncurrent restricted assets	67,749,381	22,155,356
Capital assets:		
Land	97,147,552	14,887,256
Buildings	348,805,873	99,871,968
Improvements other than buildings	194,932,522	1,119,325,825
Furniture, fixtures and equipment	41,801,019	65,638,196
Leasehold interest	-	12,411,525
Goodwill	-	7,131,703
Intangible - easement rights	13,754,957	1,660,856
Accumulated depreciation and amortization	(326,220,699)	(456,977,804)
Construction in progress	20,793,873	37,082,661
Total capital assets	391,015,097	901,032,186
Investments	-	-
Investment in joint ventures	-	51,661,745
Other receivables, noncurrent	478,544	16,092,367
Deferred issuance costs	1,579,538	1,877,202
Other assets	-	-
Total noncurrent assets	460,822,560	992,818,856
Total assets	\$ 508,205,590	\$ 1,135,341,784

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

Enterprise Funds		Governmental Activities Internal Service Funds
Solid Waste Authority	Totals	
\$ 131,199,256	\$ 260,976,551	\$ 98,268,273
335,328,009	358,813,003	-
34,843	34,843	-
198,431	898,731	-
4,163,508	21,201,083	1,893,737
2,067,010	2,102,848	5,780,649
-	8,260,662	305,208
-	-	3,891
13,192,958	21,485,831	1,544,300
308,051	1,173,576	-
1,431,034	2,881,930	4,211,467
487,923,100	677,829,058	112,007,525
48,882,686	123,321,177	-
-	13,804,022	-
-	1,662,224	-
48,882,686	138,787,423	-
50,626,126	162,660,934	-
293,646,082	742,323,923	206,558
96,370,182	1,410,628,529	512,286
180,955,582	288,394,797	69,917,421
-	12,411,525	-
-	7,131,703	-
-	15,415,813	-
(270,531,307)	(1,053,729,810)	(45,204,274)
232,262,765	290,139,299	-
583,329,430	1,875,376,713	25,431,991
1,053,784	1,053,784	-
-	51,661,745	-
1,020,000	17,590,911	-
10,265,718	13,722,458	-
34,478	34,478	-
644,586,096	2,098,227,512	25,431,991
\$ 1,132,509,196	\$ 2,776,056,570	\$ 137,439,516

PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2010

	Business-type Activities -	
	Airports	Water Utilities
LIABILITIES		
Current liabilities payable from current assets:		
Vouchers payable and accrued liabilities	\$ 6,010,638	\$ 5,909,608
Due to other county funds	300,567	640,996
Due to other governments	454,333	2,635,955
Due to individuals	-	-
Unearned revenue	433,879	-
Current portion of long-term debt	-	139,805
Compensated absences	85,528	209,000
Insurance claims payable	-	-
Other liabilities	1,014,544	31,669
Total current liabilities payable from current assets	8,299,489	9,567,033
Current liabilities payable from restricted assets:		
Customers' deposits	90,691	5,243,231
Accounts and contracts payable	118,302	2,233,195
Due to other governments	310,000	405,792
Accrued landfill closure and postclosure care costs	-	-
Current portion of long-term debt	7,975,000	10,410,000
Interest payable on bonds	3,681,890	5,192,776
Total current liabilities payable from restricted assets	12,175,883	23,484,994
Total current liabilities	20,475,372	33,052,027
Noncurrent liabilities:		
Due to other governments	-	2,054,901
Note payable	-	-
Compensated absences	1,096,318	2,847,254
Revenue bonds payable, net	131,418,909	210,433,992
Other long-term liabilities	63,931	286,671
Total noncurrent liabilities	132,579,158	215,622,818
Total liabilities	153,054,530	248,674,845
NET ASSETS		
Invested in capital assets, net of related debt	255,032,461	711,226,865
Restricted for:		
Debt service	10,727,162	10,410,000
Capital projects	40,952,891	1,000,000
Grants and other	9,524,330	500,000
Unrestricted	38,914,216	163,530,074
Total net assets	\$ 355,151,060	\$ 886,666,939

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
\$ 9,021,689	\$ 20,941,935	\$ 9,086,505
9,095	950,658	769,452
-	3,090,288	144,940
-	-	103,028
-	433,879	-
4,000,000	4,139,805	49,162
363,074	657,602	-
448,000	448,000	22,062,182
453,129	1,499,342	-
<u>14,294,987</u>	<u>32,161,509</u>	<u>32,215,269</u>
491,320	5,825,242	-
23,469,258	25,820,755	-
-	715,792	-
319,563	319,563	-
45,000	18,430,000	-
10,961,225	19,835,891	-
<u>35,286,366</u>	<u>70,947,243</u>	<u>-</u>
<u>49,581,353</u>	<u>103,108,752</u>	<u>32,215,269</u>
-	2,054,901	-
68,000,000	68,000,000	-
4,721,654	8,665,226	-
503,878,258	845,731,159	-
82,843,638	83,194,240	40,648,656
<u>659,443,550</u>	<u>1,007,645,526</u>	<u>40,648,656</u>
<u>709,024,903</u>	<u>1,110,754,278</u>	<u>72,863,925</u>
313,630,269	1,279,889,595	25,431,991
-	21,137,162	-
10,044,271	51,997,162	-
17,663,568	27,687,898	-
82,146,185	284,590,475	39,143,600
<u>\$ 423,484,293</u>	<u>1,665,302,292</u>	<u>\$ 64,575,591</u>
	4,677,601	
	<u>\$ 1,669,979,893</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended September 30, 2010

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Operating revenues:		
Charges for services	\$ 60,958,271	\$ 136,263,411
Miscellaneous	2,555,965	5,353,202
Total operating revenues	63,514,236	141,616,613
Operating expenses:		
Aviation services	44,065,735	-
Water and sewer services	-	90,888,979
Transportation services	-	-
Solid waste services	-	-
Self-insurance services	-	-
Data processing services	-	-
Equity interest in net loss of joint ventures	-	1,223,242
Depreciation and amortization	25,192,836	38,977,033
Total operating expenses	69,258,571	131,089,254
Operating income (loss)	(5,744,335)	10,527,359
Nonoperating revenues (expenses):		
Investment income	2,437,522	5,068,480
Guaranteed revenue	-	2,484,613
Passenger facility charges	12,269,764	-
Deferred issue costs	(115,213)	(151,312)
Interest expense	(7,363,780)	(6,696,209)
Fund closure of noncurrent resources	-	-
Other revenues (expenses)	381,984	(286,817)
Total nonoperating revenues (expenses)	7,610,277	418,755
Income (loss) before capital contributions, transfers, and special item	1,865,942	10,946,114
Capital contributions	14,131,463	12,156,696
Special item - contribution of capital assets to Glades Utility Authority	-	(56,381,415)
Transfers in	249,484	791,938
Transfers out	(40,170)	-
Change in net assets	16,206,719	(32,486,667)
Net assets October 1, 2009	338,944,341	919,153,606
Net assets September 30, 2010	\$ 355,151,060	\$ 886,666,939

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
\$ 233,569,659	\$ 430,791,341	\$ 114,397,408
-	7,909,167	-
<u>233,569,659</u>	<u>438,700,508</u>	<u>114,397,408</u>
-	44,065,735	-
-	90,888,979	-
-	-	20,521,719
157,456,251	157,456,251	-
-	-	104,176,699
-	-	-
-	1,223,242	-
30,508,393	94,678,262	8,450,831
<u>187,964,644</u>	<u>388,312,469</u>	<u>133,149,249</u>
<u>45,605,015</u>	<u>50,388,039</u>	<u>(18,751,841)</u>
1,587,479	9,093,481	4,413,754
-	2,484,613	-
-	12,269,764	-
-	(266,525)	-
(13,115,977)	(27,175,966)	-
-	-	(1,141,415)
5,173,425	5,268,592	1,555,045
<u>(6,355,073)</u>	<u>1,673,959</u>	<u>4,827,384</u>
39,249,942	52,061,998	(13,924,457)
1,146,970	27,435,129	70,296
-	(56,381,415)	-
-	1,041,422	-
-	(40,170)	(11,112,293)
40,396,912	24,116,964	(24,966,454)
<u>383,087,381</u>		<u>89,542,045</u>
<u>\$ 423,484,293</u>		<u>\$ 64,575,591</u>
	(414,861)	
	<u>\$ 23,702,103</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2010

	Business-type Activities -	
	Airports	Water Utilities
Cash flows from operating activities:		
Cash received from customers	\$ 63,836,470	\$ 133,913,487
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(14,990,261)	(43,499,782)
Cash payments to employees for services	(11,550,646)	(30,594,757)
Cash payments to other funds	(18,991,733)	(16,113,922)
Claims paid	-	-
Other receipts	292,609	6,694,665
Net cash provided by operating activities	18,596,439	50,399,691
Cash flows from noncapital financing activities:		
Operating grants received	-	-
Cash contributed to other governments	-	(670,454)
Transfers in	249,484	791,938
Transfers out	(40,170)	-
Net cash provided by (used in) noncapital financing activities	209,314	121,484
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	103,301	201,928
Contributed capital	12,218,902	10,272,400
Purchase and construction of capital assets	(28,220,464)	(33,392,895)
Payments to joint ventures	-	(18,313,177)
Principal payments on debt	(7,535,000)	(14,690,000)
Interest payments on debt	(7,570,993)	(9,919,964)
Paying agent fees	-	(7,750)
Passenger facility charges received	12,314,670	-
Bond issuance costs paid	-	(2,716)
Principal received on notes receivable	-	-
Net cash provided by (used in) capital and related financing activities	(18,689,584)	(65,852,174)
Cash flows from investing activities:		
Interest on investments	2,437,522	6,667,422
Investment arbitrage	4,161	-
Receipt of repayments on other receivables	113,551	-
Proceeds from sale of investments	-	-
Net cash provided by investing activities	2,555,234	6,667,422
Net increase (decrease) in cash and cash equivalents	2,671,403	(8,663,577)
Cash and cash equivalents, October 1, 2009	101,607,416	145,889,560
Cash and cash equivalents, September 30, 2010	\$ 104,278,819	\$ 137,225,983

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

Enterprise Funds		Governmental Activities Internal Service Funds
Solid Waste Authority	Totals	
\$ 232,130,899	\$ 429,880,856	\$ 11,682,594
5,592,959	5,592,959	102,285,516
(109,922,195)	(168,412,238)	(19,215,505)
(33,754,302)	(75,899,705)	(7,679,397)
(14,624,117)	(49,729,772)	(2,850,459)
-	-	(79,915,064)
842,793	7,830,067	1,082,722
<u>80,266,037</u>	<u>149,262,167</u>	<u>5,390,407</u>
4,359,156	4,359,156	-
-	(670,454)	-
-	1,041,422	-
-	(40,170)	(9,781,538)
<u>4,359,156</u>	<u>4,689,954</u>	<u>(9,781,538)</u>
3,327	308,556	519,747
2,151,227	24,642,529	-
(114,396,803)	(176,010,162)	(6,138,255)
-	(18,313,177)	-
(75,475,000)	(97,700,000)	-
(25,675,633)	(43,166,590)	-
-	(7,750)	-
-	12,314,670	-
-	(2,716)	-
293,340	293,340	-
<u>(213,099,542)</u>	<u>(297,641,300)</u>	<u>(5,618,508)</u>
1,174,434	10,279,378	4,413,754
-	4,161	-
-	113,551	-
436,246	436,246	-
<u>1,610,680</u>	<u>10,833,336</u>	<u>4,413,754</u>
(126,863,669)	(132,855,843)	(5,595,885)
<u>642,273,620</u>	<u>889,770,596</u>	<u>103,864,158</u>
<u>\$ 515,409,951</u>	<u>\$ 756,914,753</u>	<u>\$ 98,268,273</u>

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2010

	Business-type Activities -	
	Airports	Water Utilities
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (5,744,335)	\$ 10,527,359
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	25,192,836	38,977,033
Equity interest in net loss of joint ventures	-	1,223,242
Provision for doubtful accounts	63,627	313,000
Loss on disposal of equipment	-	-
Fund closure of noncurrent resources	-	-
Miscellaneous revenue	292,609	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	862,888	(1,387,081)
Decrease in due from other county funds	-	5,178
(Increase) in due from other governments	-	(1,074,375)
(Increase) decrease in inventory	(37,632)	156,930
Decrease in other assets	2,878	25,612
Decrease in due from component unit	-	-
Increase (decrease) in vouchers payable and accrued liabilities	41,050	629,316
Increase (decrease) in due to other county funds	(1,098,448)	(61,092)
Increase (decrease) in due to other governments	-	54,312
Increase (decrease) in other current liabilities	(438,380)	-
Increase in due to individuals	-	-
(Decrease) in unearned revenue	(128,474)	-
(Decrease) in current portion of long-term debt	-	-
Increase (decrease) in customer deposits	(412,180)	1,010,257
Increase in insurance claims payable	-	-
Increase in other long-term liabilities	-	-
Net cash provided by operating activities	\$ 18,596,439	\$ 50,399,691
Supplemental disclosure of noncash capital and related financing activities:		
Contribution of capital assets to Glades Utility Authority	\$ -	\$ 55,393,613
Amortization of deferred issuance costs	\$ 150,026	\$ 151,312
Amortization of premium on bonds	\$ 331,453	\$ 557,154
Amortization of discount on bonds	\$ -	\$ 233
Amortization of deferred advance refunding loss	\$ 296,641	\$ 214,915
Disposal of fully depreciated capital assets	\$ 497,351	\$ 1,047,033
Increase (decrease) in fair value of investments	\$ -	\$ -
Contribution of capital assets	\$ -	\$ 5,359,120

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

<u>Enterprise Funds</u>		Governmental
Solid Waste	Totals	Activities
Authority		Internal
		Service Funds
\$ 45,605,015	\$ 50,388,039	\$ (18,751,841)
30,508,393	94,678,262	8,450,831
-	1,223,242	-
404,925	781,552	-
439,361	439,361	-
-	-	(1,141,415)
814,269	1,106,878	1,082,722
1,310,439	786,246	287,569
435,654	440,832	1,888,384
-	(1,074,375)	(50,772)
(5,951,231)	(5,831,933)	(101,014)
2,544	31,034	512,858
-	-	1,592
(1,915,269)	(1,244,903)	6,531,324
(2,269,277)	(3,428,817)	499,792
-	54,312	(76,342)
160,481	(277,899)	-
-	-	103,028
-	(128,474)	(44,698)
-	-	(25,802)
(42,365)	555,712	-
-	-	612,665
10,763,098	10,763,098	5,611,526
<u>\$ 80,266,037</u>	<u>\$ 149,262,167</u>	<u>\$ 5,390,407</u>
<u>\$ -</u>	<u>\$ 55,393,613</u>	<u>\$ -</u>
<u>\$ 855,561</u>	<u>\$ 1,156,899</u>	<u>\$ -</u>
<u>\$ 1,098,232</u>	<u>\$ 1,986,839</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 233</u>	<u>\$ -</u>
<u>\$ 1,866,683</u>	<u>\$ 2,378,239</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 1,544,384</u>	<u>\$ 2,253,599</u>
<u>\$ 432,064</u>	<u>\$ 432,064</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 5,359,120</u>	<u>\$ 70,296</u>

PALM BEACH COUNTY, FLORIDA
Statement of Fiduciary Net Assets - Agency Funds
September 30, 2010

	Total Agency Funds
ASSETS	
Cash and cash equivalents	\$109,114,263
Investments	57,883
Accounts receivable, net	627,364
Due from other governments	1,740,493
Other assets	408
Total assets	\$111,540,411
LIABILITIES	
Vouchers payable and accrued liabilities	\$ 4,530,425
Due to other governments	49,745,741
Due to individuals	56,983,580
Other liabilities	280,665
Total liabilities	\$111,540,411

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

INDEX

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	28
2. CASH AND INVESTMENTS.....	47
3. RELATED PARTY TRANSACTIONS.....	53
4. CAPITAL ASSETS.....	54
5. INTERFUND TRANSFERS IN AND OUT	56
6. RETIREMENT PLANS	59
7. COMMITMENTS.....	64
8. RISK MANAGEMENT.....	68
9. OTHER POST EMPLOYMENT BENEFITS (OPEB).....	73
10. LEASES	79
11. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS.....	81
12. REFUNDING OF DEBT	83
13. RECLASSIFICATION.....	84
14. INTERFUND RECEIVABLE AND PAYABLE BALANCES.....	84
15. LONG-TERM DEBT.....	88
16. CONTINGENCIES.....	109
17. PLEDGED REVENUES	110
18. SUBSEQUENT EVENTS.....	111

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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, 2010

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 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 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.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Equity 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 as well as additional contributions made or distributions received. Palm Beach County's interest in the joint venture is recorded in the County's Water Utilities Enterprise Fund. As of September 30, 2009, the Facility had total assets of \$102,821,429 and total net assets of \$90,387,901 including \$68,308,854 invested in capital, net of debt, and \$11,720,528 of unrestricted net assets. September 30, 2010 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, 2010, Palm Beach County had a 34.29% interest. The participants and each entity's interest at September 30, 2010 are as follows:

PARTICIPANT	RESERVE CAPACITY PERCENTAGES
City of West Palm Beach	29.29%
Palm Beach County	34.29%
City of Lake Worth	17.86%
City of Riviera Beach	11.42%
Town of Palm Beach	7.14%
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, 2010

Biosolids Processing and Recycling Facility

On September 23, 2003, the Board of County Commissioners, on behalf of the Water Utilities Department, entered into an interlocal agreement (Agreement) with the Solid Waste Authority (SWA) to fund a portion of the cost to design, build, and operate a Biosolids Processing and Recycling Facility (BPF). The BPF processes certain wastewater treatment residuals (biosolids) and is necessary to comply with increasingly stringent environmental regulations that have significantly decreased the number of land application sites available. Bulk land application was the method of disposing of the biosolids.

The agreement is for a period of twenty years beginning with the August 1, 2009 operations commencement. Upon the conclusion of the term of the agreement, the BPF will remain the property of SWA with each participating entity owning its share of the BPF, in perpetuity, for the life of the plant. Under accounting principles generally accepted in the United States of America, the Department is required to account for this arrangement as a joint venture. Therefore, an asset is reported on the Water Utilities financial statements under the caption "Investment in Joint Ventures".

Since the BPF agreement does not state that the participants are to share in the profits and losses of the joint venture, the investment in joint venture account will not be adjusted to reflect the joint venture's results of operations. Rather, the investment in joint venture will be amortized using the straight line method over the twenty-year life of the agreement. The Department's 27.5% share resulted in pro rata obligations of \$8.7 million for construction costs and \$580,000 annually for operating expenses for the twenty-year period. The Department's operating costs were \$906,200 for the year ended September 30, 2010. During the fiscal year ended September 30, 2010, \$.4 million was paid to SWA by the Department for its pro rata share of the construction costs and is shown as an asset – investment in joint ventures – on the statement of net assets.

No separate financial statements are prepared for the BPF which is reported as part of SWA operations. SWA financial statements may be obtained from their office at 7501 North Jog Road, West Palm Beach, Florida, 33412.

Non - Equity Joint Ventures

Glades Utility Authority

On June 16, 2009, the Glades Utility Authority (GUA) was established when the BCC adopted a Resolution determining that the transfer of certain utility assets to the GUA was in the public interest, as required under Section 125.3401, Florida Statutes. This transaction was accounted for by the Department as a non-exchange transaction which recognized a \$56.4 million contribution expense to other governments to reflect the \$55.7 million transfer of the Lake Region Water Treatment Plant and \$0.7 million in the Renewal & Replacement Fund for same to the GUA on October 1, 2009. This transaction also resulted in a \$55.4 million reduction in capital assets and the amount invested in capital assets net of related debt and has been reported as a special item.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

The GUA, which began operations on October 1, 2009, is a regional partnership established through an interlocal agreement between the County and the Cities of Belle Glade, Pahokee and South Bay for the purpose of providing water, wastewater, and reclaimed water services to the residents of Belle Glade, Pahokee, and South Bay.

The Governing Board (Board) for the GUA consists of seven members, one each from Pahokee and South Bay, two from Belle Glade and three from the County, each of whom shall be appointed by their respective entity except that one member appointed by the County must be a resident in the service area of the GUA. No elected officials may be appointed to the Board. Initially the Board members from the three Cities and the resident of the service area shall have one vote and each of the other County members shall have two votes each. The affirmative vote of members holding a majority of the votes shall be required for passage of any item provided the affirmative vote of at least one of the three cities shall be required for passage of the item. As such the County does not appoint a voting majority of the Board. As part of the formation of the GUA, the County agreed to provide a backup pledge on some of the debt which was being acquired and refinanced by the GUA. Through this backup pledge the County has become obligated in some manner for the debt of the GUA. However, the County has no equity interest in the GUA and as such this entity is reported as a Non-Equity Joint Venture of the County.

The existing State Revolving Fund loans of the Cities which were assumed by the GUA were restructured for a 30-year term with the first 5 years interest only with an interest rate not exceeding 4.5%. The agreement commits the County as a backup pledge for the restructured debt. In addition, the GUA received a \$9.3 million bank loan with level principal and interest payments for a 10-year term with interest at 4.48%. The agreement commits the County as a backup pledge for the debt.

The County Water Utility's Department's financial consultants have developed a Business Plan that illustrates the financial feasibility and sustainability of the GUA. Separate financials statements for the GUA may be obtained by contacting the Water Utilities Department.

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.

Financial Statements may be obtained from the Commission.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 reported 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 presentation distinguishes 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 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 Special Revenue Fund** is used to account for ad valorem taxes and other revenues designated for fire rescue services.

The **Sheriff Special Revenue 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 **Road Program Capital Projects 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.

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 and Risk Management 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 three 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

considered available are recorded as deferred revenues. Property taxes when levied for, intergovernmental revenue when all eligibility requirements have been met, franchise fees, utility taxes, licenses and permits, charges for services and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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.

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.

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 County maintains an internal investment pool for substantially all funds. Earnings are allocated daily to each fund based on their equity balances in the pool. Each fund reports their equity in the County's internal investment pool as a cash equivalent.

Investments

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*:

- Florida Prime Investment Pool
- Money Market Mutual Funds.

State statutes 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, Florida Prime Investment Pool (formerly known as the Local Government Surplus funds Trust Fund LGIP administered by the State Board of Administration), the Florida Local Government Investment Trust (FLGIT), collateralized mortgage obligations (CMO), certain corporate securities, instruments backed by the full faith and credit of the State of Israel, bankers acceptances, and money market mutual funds.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

State statutes authorize Solid Waste Authority (SWA) investments in the Florida Prime Investment Pool (formerly known as the Local Government Surplus funds Trust Fund LGIP administered by the 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.

The following external investment pools are not SEC-registered:

The State Board of Administration (SBA) administers the *Florida Prime Investment Pool* (formerly known as the Local Government Surplus funds Trust Fund LGIP) and the *Fund B Surplus Funds Trust Fund (Fund B)*, both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. The Florida Prime Investment Pool is an external investment pool operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Fund B is accounted for as a fluctuating net asset value pool. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida Prime Investment Pool, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida Prime Investment Pool. The investments in the Florida Prime Investment Pool and Fund B are not insured by FDIC or any other governmental agency. 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 *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.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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 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, for business-type activities and enterprise funds, 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:

<u>Asset Classification</u>	<u>Estimated Useful Life (In Years)</u>
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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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.
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 2010, supplemental appropriations amounted to a net increase of \$368,455,649, or approximately 9.0% 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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:

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.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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, 2010 have the following significant designations:

Designation	Amount
General Fund:	
Encumbrances	\$ 851,273
Contingency	20,000,000
Special Revenue Funds:	
Encumbrances	40,826,690
Fire Rescue Long-Term Disability	15,013,345
Capital Projects Funds:	
Encumbrances	186,907,288

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 2011, 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 2011.

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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.

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 restricted component of net assets represents restricted assets reduced by liabilities related to those assets. The entity-wide statement of net assets (government activities) reports \$775,130,243 of restricted net assets, of which \$180,086,267 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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, 2010.

For the 2009 tax roll year, the assessment roll was opened for collection on November 1, 2009, and discounts for payment prior to April 1, 2010, were determined as follows:

4%	if paid in November 2009
3%	if paid in December 2009
2%	if paid in January 2010
1%	if paid in February 2010

W. Interest Costs

Interest costs are expensed or capitalized as required by the Interest Topic 835, Subtopic 20, Section 30 “Amount of Interest to be Capitalized” of the FASB Accounting Standards Codification. Interest cost incurred by proprietary funds for the fiscal year ended September 30, 2010 amounted to \$30,796,880, of which \$3,620,914 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, 2010 the cash and investments consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Value</u>
Deposits in Financial Institutions	\$ 209,165,289	\$ 178,478,746
Cash on hand		290,805
Investments		2,148,452,888
Total		<u>\$ 2,327,222,439</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, cash equivalents and investments	\$ 2,218,050,293	\$ 109,172,146	\$ 2,327,222,439

As of September 30, 2010, the primary government had the following investments, subject to interest rate risk using the segmented-time distribution method:

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Investment Type	Fair Value	Maturity in Years		
		Less Than 2 Years	2 Year but Less Than 5 Years	5 Years but Less Than 14 Years
Investments subject to interest rate risk				
Money Market Mutual Funds	\$ 456,478,913	\$ 456,478,913	\$ -	\$ -
Adjustable Rate Securities	426,592,350	-	426,592,350	-
Collateralized Mortgage Obligations	322,379,837	97,336,236	225,043,601	-
Mortgage Backed Securities	227,980,864	2,206,043	225,774,821	-
Florida Prime Investment Pool (SBA)	217,058,487	217,058,487	-	-
Callable Step Rate Bonds	203,935,535	45,602,908	158,332,627	-
Debenture Participation Certificates	163,669,359	-	-	163,669,359
Corporate Notes	49,648,050	-	22,005,500	27,642,550
Indexed Amortization Notes	39,988,732	10,208,373	-	29,780,359
Florida Local Govt Investment Trust	29,401,588	29,401,588	-	-
Foreign Government Bonds	10,079,947	5,035,760	5,044,187	-
Fund B Surplus Funds Trust Fund (SBA)	1,239,226			1,239,226
	<u>\$ 2,148,452,888</u>	<u>\$ 863,328,308</u>	<u>\$ 1,062,793,086</u>	<u>\$ 222,331,494</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 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Investments	Fair Value	Percentage of Total Portfolio	Standard & Poor's Investment Rating Service
U.S Government Sponsored Enterprises (GSE)	\$ 835,724,846	38.9%	AAA
U.S. Treasuries & Guaranteed Agencies	548,821,831	25.5%	U.S. Guarantee
Money Market Mutual Funds	456,478,913	21.2%	AAAm
Florida Prime Investment Pool (SBA)	217,058,487	10.1%	AAAm
Corporate Securities	39,139,562	1.8%	AA+
Florida Local Govt Investment Trust	29,401,588	1.4%	AAAf
Corporate Securities	10,508,488	0.5%	A
Foreign Government Bonds	10,079,947	0.5%	A-1
Fund B Surplus Funds Trust Fund (SBA)	1,239,226	0.1%	Not rated
	\$2,148,452,888	100.0%	

No rating by Moody's or Fitch was lower then Standard and Poor's. Some securities were not rated by Moody's and Fitch.

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. Policy allows for the timely and appropriate disposal when an investment credit rating falls below a minimum threshold. A corporate security whose credit rating fell below the policy was sold in December 2010. 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).

State statutes authorize Solid Waste Authority (SWA) investments in the Florida Prime Investment Pool (formerly known as the Local Government Surplus funds Trust Fund LGIP administered by the 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.

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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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.

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
Federal National Mortgage Association (Fannie Mae)	\$ 527,369,770	24.5%
Government National Mortgage Association (Ginnie Mae)	278,743,672	13.0%
Federal Home Loan Mortgage Company (Freddie Mac)	278,574,716	13.0%
U.S. Small Business Administration	235,150,979	10.9%
Florida State Board of Administration	218,297,713	10.2%
Other combined- less then 2% per issuer	183,011,634	8.5%
Vesco AIM Institutional Money Market Fund	153,189,589	7.1%
Fidelity Institute Treasury Money Market Fund	147,958,218	6.9%
Dreyfus Government Money Market Fund	126,156,597	5.9%
	\$ 2,148,452,888	100.0%

The County’s investment policy for the internal investment pool limits investments in corporate securities to 1% 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 investment in foreign bonds is denominated in U.S. dollars.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

COMPONENT UNITS:

Westgate/Belvedere Homes Community Redevelopment Agency (CRA)

As of September 30, 2010, the carrying value of deposits with financial institutions was \$1,872,244 and the bank balance was \$1,974,681. The CRA was invested in the Florida Prime Investment Pool (SBA) with a fair value of \$394,499 and \$7,972 in the Fund B Surplus Funds Trust Fund (SBA). The Prime Investment Pool 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 Florida Prime Investment Pool (SBA) is 52 days and Fund B Surplus Funds Trust Fund (SBA) is 7.5 years as of September 30, 2010. CRA 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 Florida Prime Investment Pool (SBA) is rated AAAM by Standard & Poor and Fund B Surplus Funds Trust Fund (SBA) 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 Florida State Board of Administration's (SBA) investment pools. The CRA has no formal investment policy that limits investment concentration risk.

Palm Beach County Housing Finance Authority (HFA)

At September 30, 2010 HFA's equity in Palm Beach County's internal investment pool was \$6,035,931 which is included with other primary government receivables in the Statement of Net Assets in "Due from primary government".

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

As of September 30, 2010, HFA had the following investments:

Investments	Fair Value	Percent of Total Investments	Maturity	Standard & Poor's Investment Rating Service
Government National Mortgage Association Bond (Ginnie Mae)	\$ 2,423,878	50.2%	4/15/2025	Guaranteed by U.S. Govt
Federal National Mortgage Association (FNMA)	1,903,545	39.4%	11/1/2032	AAA
Fidelity U.S. Treasury Portfolio Money Market Mutual Fund	195,000	4.0%	Less than 90 days	AAAm
Goldman Sachs Financial Square Government Money Market Mutual Fund	100,057	2.1%	Less than 90 days	AAAm
Federated Government Obligations Tax-Managed Money Market Mutual Fund	100,000	2.1%	Less than 90 days	AAAm
Fidelity Governmental Money Market Mutual Fund	100,000	2.1%	Less than 90 days	AAAm
Florida Prime Investment Pool State Board of Administration (SBA)	6,478	0.1%	52 days	AAAm
Fund B Surplus Funds Trust Fund State Board of Administration (SBA)	1,155	0.0%	7.5 years	Not rated
Total investments	<u>\$ 4,830,113</u>	<u>100.0%</u>		

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's internal investment pool had an effective duration of 1.8 years as of September 30, 2010. The Authority's investment policy limits the maturity of investments to match cash and anticipated cash flow requirements.

Credit Risk:

Credit risk is the risk that an issuer will not fulfill its obligations. The County's internal investment pool is rated AA Af by Standard & Poor's on September 30, 2010. 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. Policy allows for the timely and appropriate disposal when an investment credit rating falls below a minimum threshold.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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.

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.

Metropolitan Planning Organization (MPO)

At September 30, 2010 MPO's equity in Palm Beach County's internal investment pool was \$242,067 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 1.8 years as of September 30, 2010. 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+ by Standard & Poor's on September 30, 2010. 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.

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

transactions involves the reimbursement of indirect costs in accordance with the indirect cost plan. Accordingly, the reimbursement of these indirect costs in fiscal year 2010 was \$18,829,916.

4. CAPITAL ASSETS

A summary of changes in capital assets follows:

Primary Government

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 741,195,635	\$ -	\$ -	\$ 741,195,635
Construction In Progress	444,546,437	161,818,835	(100,529,425)	505,835,847
Total non-depreciable assets	<u>1,185,742,072</u>	<u>161,818,835</u>	<u>(100,529,425)</u>	<u>1,247,031,482</u>
Depreciable assets:				
Buildings and improvements	813,052,691	56,508,830	(445,769)	869,115,752
Improvements other than buildings	300,046,287	17,780,520	-	317,826,807
Equipment	556,260,598	54,439,093	(24,289,034)	586,410,657
Infrastructure	1,252,793,825	26,385,671	-	1,279,179,496
Total depreciable assets	<u>2,922,153,401</u>	<u>155,114,114</u>	<u>(24,734,803)</u>	<u>3,052,532,712</u>
Less accumulated depreciation for:				
Buildings and improvements	(271,585,527)	(21,730,892)	398,338	(292,918,081)
Improvements other than buildings	(170,502,564)	(9,348,729)	-	(179,851,293)
Equipment	(359,356,512)	(57,546,197)	22,617,894	(394,284,815)
Infrastructure	(964,325,849)	(25,724,862)	-	(990,050,711)
Total accumulated depreciation	<u>(1,765,770,452)</u>	<u>(114,350,680)</u>	<u>23,016,232</u>	<u>(1,857,104,900)</u>
Total capital assets, being depreciated, net	<u>1,156,382,949</u>	<u>40,763,434</u>	<u>(1,718,571)</u>	<u>1,195,427,812</u>
Total governmental capital assets, net	<u>\$2,342,125,021</u>	<u>\$ 202,582,269</u>	<u>\$(102,247,996)</u>	<u>\$ 2,442,459,294</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 161,732,642	\$ 1,551,311	\$ (623,019)	\$ 162,660,934
Construction In Progress	138,831,192	190,481,081	(39,172,974)	290,139,299
Total non-depreciable assets	<u>300,563,834</u>	<u>192,032,392</u>	<u>(39,795,993)</u>	<u>452,800,233</u>
Depreciable assets:				
Buildings and improvements	744,816,620	9,368,079	(11,860,776)	742,323,923
Improvements other than buildings	1,425,213,643	34,482,243	(49,067,357)	1,410,628,529
Equipment	292,795,946	8,122,004	(12,523,153)	288,394,797
Intangible - easement rights	15,415,813	-	-	15,415,813
Leasehold interest	12,120,667	290,858	-	12,411,525
Goodwill	7,131,703	-	-	7,131,703
Total depreciable assets	<u>2,497,494,392</u>	<u>52,263,184</u>	<u>(73,451,286)</u>	<u>2,476,306,290</u>
Less accumulated depreciation for:				
Buildings and improvements	(286,269,738)	(27,959,692)	7,394,098	(306,835,332)
Improvements other than buildings	(518,662,868)	(37,988,959)	3,414,543	(553,237,284)
Equipment	(166,420,179)	(25,021,338)	7,198,404	(184,243,113)
Intangible - easement rights	(2,815,422)	(343,874)	-	(3,159,296)
Leasehold interest	(4,119,653)	(1,242,770)	-	(5,362,423)
Goodwill	(670,011)	(222,351)	-	(892,362)
Total accumulated depreciation	<u>(978,957,871)</u>	<u>(92,778,984)</u>	<u>18,007,045</u>	<u>(1,053,729,810)</u>
Total capital assets, being depreciated, net	<u>1,518,536,521</u>	<u>(40,515,800)</u>	<u>(55,444,241)</u>	<u>1,422,576,480</u>
Total business-type capital assets, net	<u>\$ 1,819,100,355</u>	<u>\$ 151,516,592</u>	<u>\$ (95,240,234)</u>	<u>\$ 1,875,376,713</u>

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

Governmental Activities:

General government	\$ 19,870,842
Public safety	33,819,037
Physical environment	821,089
Transportation	33,227,087
Economic environment	445,663
Human services	1,683,408
Culture and recreation	16,032,723
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>8,450,831</u>
Total depreciation expense - governmental activities	<u>\$ 114,350,680</u>

Business-type activities:

Department of Airports	\$ 25,192,836
Water Utilities Department	38,701,767
Solid Waste Authority	<u>28,884,381</u>
Total depreciation expense-business-type activities	<u>\$ 92,778,984</u>

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Discretely presented component unit

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

	Beginning Balance	Additions	Deductions	Ending Balance
Non-depreciable assets:				
Land	\$ 3,451,275	\$ -	\$ -	\$ 3,451,275
Total non-depreciable assets	3,451,275	-	-	3,451,275
Depreciable assets:				
Equipment	15,958	-	-	15,958
Infrastructure	334,904	110,558	-	445,462
Total depreciable assets	350,862	110,558	-	461,420
Less accumulated depreciation for:				
Equipment	(29,040)	(9,898)	-	(38,938)
Total accumulated depreciation	(29,040)	(9,898)	-	(38,938)
Total capital assets, being depreciated, net	321,822	100,660	-	422,482
Total component unit capital assets, net	<u>\$ 3,773,097</u>	<u>\$ 100,660</u>	<u>\$ -</u>	<u>\$ 3,873,757</u>

5. INTERFUND TRANSFERS IN AND OUT

Interfund transfers in and out during fiscal year 2010 were as follows:

Interfund Transfers In	Interfund Transfers Out	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Sheriff Special Revenue Fund	\$ 15,650,713
	Law Enforcement Grants Special Revenue Fund	636,938
	Other Special Revenue Fund	1,541,176
	Clerk & Comptroller Special Revenue Fund	1,415,897
	Supervisor of Elections Special Revenue Fund	2,642,680
	General Government Capital Projects	11,802,213
	Parks & Recreation Capital Projects	646,265
	Fleet Management	5,182,432
	Combined Insurance Fund	1,519,608
	ISS	2,691,598
		<u>\$ 43,729,520</u>
Fire Rescue Special Revenue Fund	General Fund	\$ 6,407,861
	Other Special Revenue Fund	282,079
	Fleet Management	1,726
	Combined Insurance Fund	268,827
		<u>\$ 6,960,493</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Interfund Transfers In	Interfund Transfers Out	Amount
Sheriff Special Revenue Fund	General Fund Law Enforcement Grants Special Revenue Fund Other Special Revenue Fund Criminal Justice Capital Projects	\$ 487,933,232 4,122,033 555,503 450,112 <hr/> <u>\$ 493,060,880</u>
Road Program Capital Projects	General Fund County Transportation Trust Special Revenue Fund	\$ 750,000 64,000 <hr/> <u>\$ 814,000</u>
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	General Fund Other Special Revenue Fund	\$ 579,280 2,719 <hr/> <u>\$ 581,999</u>
County Transportation Trust Special Revenue Fund	General Fund Road Program Capital Projects	\$ 11,813,308 20,038,754 <hr/> <u>\$ 31,852,062</u>
Library Taxing District Special Revenue Fund	Fleet Management Combined Insurance Fund	\$ 23,939 450,129 <hr/> <u>\$ 474,068</u>
Community & Social Development Special Revenue Fund	General Fund Road Program Capital Projects General Government Capital Projects	\$ 12,878,917 13,266 40,000 <hr/> <u>\$ 12,932,183</u>
Affordable Housing (SHIP) Trust Fund Special Revenue Fund	Hurricane Housing Recovery Plan Fund Special Revenue Fund	\$ 86,789 <hr/> <u>\$ 86,789</u>
Palm Tran Special Revenue Fund	General Fund Road Program Capital Projects	\$ 21,895,872 14,500,000 <hr/> <u>\$ 36,395,872</u>
Other Special Revenue Fund	General Fund Law Enforcement Grants Special Revenue Fund	\$ 14,365,610 103,915 <hr/> <u>\$ 14,469,525</u>
Clerk & Comptroller Special Revenue Fund	General Fund	\$ 14,319,034 <hr/> <u>\$ 14,319,034</u>
Supervisor of Elections Special Revenue Fund	General Fund	\$ 9,028,270 <hr/> <u>\$ 9,028,270</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Interfund Transfers In	Interfund Transfers Out	Amount
Nonmajor Debt Service Funds		
Revenue Bonds Debt Service Fund	Tourist Development Special Revenue Fund	\$ 7,462,579
	Other Special Revenue Fund	71,599,077
	Criminal Justice Capital Projects	12,308,014
	General Government Capital Projects	7,907,245
		<u>\$ 99,276,915</u>
Other Financing Debt Service	Other Special Revenue Fund	\$ 1,567,053
	Revenue Bonds Debt Service	11,543,892
	Environmental Lands Capital Projects	36,914
		<u>\$ 13,147,859</u>
Nonmajor Capital Projects Funds		
Criminal Justice Capital Projects	General Government Capital Projects	\$ 81
		<u>\$ 81</u>
Environmental Lands Capital Projects	General Fund	\$ 250,000
	Tourist Development Special Revenue Fund	1,801,767
	Other Special Revenue Fund	4,080,341
		<u>\$ 6,132,108</u>
General Government Capital Projects	General Fund	\$ 4,567,245
	Fire Rescue Special Revenue Fund	269,984
	Sheriff Special Revenue Fund	252,271
	Airports	40,170
	County Transportation Trust Special Revenue Fund	50,452
	Municipal Service Taxing District Special Revenue Fund	18,605
	Library Taxing District Special Revenue Fund	10,396
	Community & Social Development Special Revenue Fund	5,311,055
	Palm Tran Special Revenue Fund	129,272
	Other Special Revenue Fund	2,467,247
	General Obligation Bonds Debt Service	63,515
	Revenue Bonds Debt Service	176,913
	Fleet Management	7,612
		<u>\$ 13,364,737</u>
Libraries Capital Projects	Library Taxing District Special Revenue Fund	\$ 205,000
		<u>\$ 205,000</u>
Total Nonmajor Governmental Funds		<u>\$ 252,266,502</u>
Proprietary Funds:		
Major Enterprise Funds		
Airports	Fleet Management	\$ 35,121
	Combined Insurance Fund	214,363
		<u>\$ 249,484</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Interfund Transfers In	Interfund Transfers Out	Amount
Water Utilities	Community & Social Development Special Revenue Fund Combined Insurance Fund	\$ 75,000 716,938 <hr/> <u>\$ 791,938</u>
Total Interfund Transfers Primary Government		<hr/> <u>\$ 797,872,817</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.

In addition, on October 1, 2009, the County reclassified the Information Systems Services (ISS) Internal Service Fund into the General Fund as a department. As a result, the current resources of \$2,691,598 were transferred into the General Fund from ISS.

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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 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, 2010, 2009, and 2008 were \$102.9 million, \$99.7 million, and \$94.4 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, 2010:

<u>Membership Class</u>	<u>Rates</u>
Regular	10.77%
Special Risk	23.25%
Judges	21.79%
Legislators	16.34%
Governor/Lieutenant Governor/Cabinet	16.34%
State Attorney/Public Defender	16.34%
County, City, Special District Elected Officers	18.64%
Special Risk Administrative Support	13.24%
IFAS Supplemental	18.75%
Senior Management	14.57%
Deferred Retirement Option Program	12.25%

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 information. The report may be obtained by writing to the plan administrator at Pension Resource Center LLC, 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, Florida 33410 or calling 1-561-624-3277 or accessing their website at: www.resourcecenters.com. Since the County has no fiduciary responsibility for this plan, it is not included in these financial statements.

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, 2009 were as follows:

Annual required contribution (ARC)	\$	5,735,378
Interest on net pension obligation		20,160
Adjustment to ARC		14,222
Annual pension cost		5,769,760
Contributions made		(3,302,893)
Increase (decrease) in net pension obligation		2,466,867
Net pension obligation beginning of year		252,006
Net pension obligation end of year	\$	2,718,873

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$3,272,841	100%	\$ -
12/31/08	3,527,501	93	252,006
12/31/09	5,769,760	58	2,718,873

Funded Status and Funding Progress – As of January 1, 2010, the most recent actuarial valuation date, the plan was 67.1% funded. The actuarial accrued liability for benefits was \$76.5 million, and the actuarial value of assets was \$51.3 million, resulting in an unfunded actuarial

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

accrued liability (UAAL) of \$25.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$25.4 million, and the ratio of the UAAL to the covered payroll was 99.0%.

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, 2010 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 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, 2010 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 LLC, 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. Since the County has no fiduciary responsibility for this plan, it is not included in these financial statements.

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 54.46% of annual covered payroll.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Annual Pension Cost and Net Pension Obligation – Per the actuarial valuation, the annual pension cost and net pension obligation as of September 30, 2009 were as follows:

Annual required contribution (ARC)	\$	1,432,225
Interest on net pension obligation		-
Adjustment to ARC		-
Annual pension cost		1,432,225
Contributions made		(1,397,720)
Increase (decrease) in net pension obligation		34,505
Net pension obligation beginning of year		-
Net pension obligation end of year	\$	34,505

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/07	\$1,497,710	100%	\$ -
09/30/08	1,472,690	100	-
09/30/09	1,432,225	98	34,505

Funded Status and Funding Progress – As of September 30, 2009, the most recent actuarial valuation date, the plan was 79.1% funded. The actuarial accrued liability for benefits was \$21.7 million, and the actuarial value of assets was \$17.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2.4 million, and the ratio of the UAAL to the covered payroll was 190.3%.

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, 2009 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, 2009 ranges from 1-15 years.

Note: The Actuarial Valuation report for September 30, 2010 was not available.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

OTHER PENSION PAYMENTS

The County entered into agreements with the City of Lake Worth (City) for law enforcement services, effective October 1, 2008, and fire rescue services, effective October 1, 2009. Employees of the City who became County employees had the choice to remain in the appropriate City sponsored retirement plan or to become a member of the Florida Retirement System (FRS). The County contributes to the City sponsored plans the equivalent amount that would be required by FRS. The County's contributions for employees who elected to remain with the City sponsored plans were \$1,146,006 for the year ended September 30, 2010.

A copy of the City's pension fund financial statements may be obtained by contacting the Plan Administrators for the Lake Worth Pension Funds: Pension Resource Center LLC, 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. Since the County has no fiduciary responsibility for this plan, it is not included in these financial statements.

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, 2010, 2009, and 2008 were \$28,188, \$26,826, and \$23,144, respectively, equal to the required contributions for each year.

7. COMMITMENTS

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, 2010:

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

<u>Fund</u>	<u>Amount</u>
Capital Projects Funds	\$ 186,907,288
Solid Waste Authority	72,576,749
Special Revenue Funds	40,826,690
Department of Water Utilities	15,287,000
Department of Airports	8,727,161
Internal Service Funds	3,114,808
General Fund	851,273
Clerk & Comptroller	752,993
Tax Collector	622,933
Property Appraiser	142,660
Total	<u><u>\$ 329,809,555</u></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.

Water Utilities

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 fiscal year 2011. In addition, FP&L is to construct a 27 million gallon per day reclaimed water facility at the East Central Regional Wastewater Reclamation Facility. The agreement with FP&L has a term of thirty years beginning in fiscal year 2011 with three additional ten year options. The project is being financed with proceeds from the \$68M Series 2009 Water and Sewer Revenue Bonds. FP&L will reimburse the Department for all debt service costs related to this debt issue once the construction is completed.

On February 2, 2010, the County approved an Interlocal Agreement with the Town of Lake Clarke Shores (the Town). The agreement provides for the Town to purchase up to 400,000 gallons of potable water per day from the County. The agreement is projected to provide a net positive fiscal impact per year of \$95,000.

Termination Benefits

Termination benefits are benefits, other than salaries and wages, which are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees.

Prior Year Plan:

On July 21, 2009 the County offered eligible employees up to eight weeks of severance pay and the right to continue their healthcare insurance at the employee rate for up to three years if they

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

agreed to voluntarily terminate employment by August 21, 2009. The liability for the accrued healthcare cost at September 30, 2010 was \$982,400 with \$525,100 estimated to be paid within one year. The healthcare cost benefit was valued using the unadjusted cost of the blended premium.

Current Year Plans:

On January 15, 2010 the County offered eligible employees up to eight weeks of severance pay and the right to continue their healthcare insurance at the employee rate for up to three years if they agreed to voluntarily terminate employment by February 26, 2010. For fiscal year 2010, the cost of providing those benefits for forty-seven voluntary terminations was approximately \$1.0 million. The liability for the accrued healthcare cost at September 30, 2010 was \$564,200 with \$253,900 estimated to be paid within one year. The healthcare cost benefit was valued using the unadjusted cost of the blended premium. The value of the severance pay was \$465,700 including payroll taxes.

On June 28, 2010 the County offered eligible employees up to eight weeks of severance pay and the right to continue their healthcare insurance at the employee rate for up to three years if they agreed to voluntarily terminate employment by July 30, 2010. For fiscal year 2010, the cost of providing those benefits for forty-nine voluntary terminations was approximately \$1.1 million. The liability for the accrued healthcare cost at September 30, 2010 was \$626,700 with \$280,200 estimated to be paid within one year. The healthcare cost benefit was valued using the unadjusted cost of the blended premium. The value of the severance pay was \$475,200 including payroll taxes.

In fiscal year 2010, The Clerk & Comptroller's office offered employees who voluntarily terminated employment severance pay equal to 100% of their accrued sick time. Sick time normally accrues at 25% for five through nine years and 50% for ten or more years of service. The cost of providing this benefit for two voluntary terminations was \$5,700 including payroll taxes. There was no accrued benefits payable at September 30, 2010.

In fiscal year 2010, The Clerk & Comptroller's office offered four weeks of severance pay for six involuntary terminations. The cost of providing this benefit was \$40,300 including payroll taxes. These employees were able to continue healthcare coverage under COBRA, and the liability for accrued healthcare cost at September 30, 2010 was \$1,100.

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). The term of the agreement is for 40 years and provides that the County will make a fixed annual payment 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Max Planck

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. The County, MPFC and FAU entered into a sublease agreement to lease a portion of the John D. MacArthur Campus of FAU to MPFC for construction of its permanent Florida facilities. The execution of the FAU sublease is a condition to the disbursement of the grant funds. The County has paid approximately \$6.7 million towards this commitment as of September 30, 2010.

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 2014 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 year ended September 30, 2010 was approximately \$257,000. The carrying value of the land subject to the lease was approximately \$8 million at September 30, 2010. 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 year ended September 30, 2010 was approximately \$129,000. The minimum future rental payments, based on an annual increase of 3 percent, under this operating lease at September 30, 2010 are estimated to be \$1,525,243.

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 2010 subsidy amounted to \$4,235,000. 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

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, 2010, 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 currently limited to \$100,000 per person and \$200,000 per occurrence under Florida's sovereign immunity statute 768.28. Due to recent amendments to 768.28, those statutory limits will increase to \$200,000 per person and \$300,000 per occurrence for occurrences on or after October 1, 2011. 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 \$5 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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

and current year claims. The claims liability reported in this fund at September 30, 2010 is \$6,984,000.

During claim years 2010 and 2009, changes recorded to the claims liability for property and liability insurance were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2009	\$8,408,000	\$266,000	(\$1,556,000)	\$7,118,000
2010	7,118,000	610,000	(744,000)	6,984,000

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, 2010 is \$49,345,000. During claim years 2010 and 2009, changes recorded to the claims liability for workers' compensation insurance were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2009	\$39,656,000	\$8,656,000	(\$4,641,000)	\$43,671,000
2010	43,671,000	11,257,000	(5,583,000)	49,345,000

Employee Group Health Insurance

The County provides health insurance for its employees, retirees, and eligible dependents. Effective January 1, 2003, 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

All funds of the County and the Supervisor of Elections 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. All other Constitutional Officers contract separately for health insurance coverage. The claims liability reported in the fund at September 30, 2010 is \$4,579,182. During claim years 2010 and 2009, changes recorded to the claims liability for employee health insurance were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2009	\$4,139,856	\$50,776,593	(\$51,169,932)	\$3,746,517
2010	3,746,517	57,125,005	(56,292,340)	4,579,182

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 \$346 million, subject to various policy sub-limits, generally ranging from \$1 million to \$50 million and deductibles ranging from \$50,000 to \$1 million per occurrence. The SWA also purchases commercial insurance for general liability claims with coverage up to \$5 million per occurrence and \$5 million aggregate, with excess liability coverage of \$45 million, all subject to various deductibles up to \$50,000 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 2010. 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, 2010 and 2009 were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2009	\$448,000	\$249,606	(\$249,606)	\$448,000
2010	448,000	195,749	(195,749)	448,000

Effective January 1, 2009, the SWA purchased health insurance through a commercial health insurance plan.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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, 2010 is \$12,810,571. 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 2010 and 2009, changes recorded to the claims liability for general liability were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2009	\$12,907,299	\$3,601,656	(\$3,639,504)	\$12,869,451
2010	12,869,451	5,235,286	(5,294,166)	12,810,571

Workers' Compensation Insurance

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2010 is \$23,215,313. 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 2010 and 2009, changes recorded to the claims liability for workers' compensation were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2009	\$19,505,079	\$6,487,733	(\$5,776,971)	\$20,215,841
2010	20,215,841	9,747,690	(6,748,218)	23,215,313

**PALM BEACH COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2010**

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 2010 and 2009, changes recorded to the claims liability for health insurance were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2009	\$752,000	\$9,867,523	(\$9,802,523)	\$817,000
2010	817,000	7,401,276	(7,412,276)	806,000

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.

PROPERTY APPRAISER

Employee Group Health and Dental Insurance

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

9. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Overview

Entities of the Reporting Unit provide the following post-employment benefits to retirees:

A. Healthcare Plans:

1. County includes:
 - (a) Supervisor of Elections
 - (b) Metropolitan Planning Organization
2. Tax Collector
3. Property Appraiser
4. Clerk & Comptroller
5. Sheriff
6. Fire Rescue Union
7. Solid Waste Department

B. Long Term Disability Plan:

1. 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 County 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 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 Metropolitan Planning Organization participate in the County plan. The plans do not issue separate stand alone financial reports.

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 and the County is not responsible for custody of the assets of the plan, therefore it is not reported as a fiduciary fund of the County. The plan does not issue a separate stand alone financial report.

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.

At September 30, 2010 retirees receiving benefits contributed the following monthly premiums:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union	SWA
Monthly Minimum	\$ 549	\$ 619	\$ 647	\$ 552	\$ 406	\$ 147	\$ 585
Monthly Maximum	4,177	2,033	1,907	1,982	2,276	509	1,710

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.

In the Fire Rescue Plan, the County provides a subsidy to eligible pre- and post-65 retirees. Retirees must have either completed 25 years of service, regardless of age, or reached age 55 with at least 10 years of service to be eligible for the full benefit. For employees who retired before September 27, 2005, the subsidy is a monthly benefit of \$75 plus \$12 per year of service. For employees retiring on or after September 27, 2005, the subsidy is a monthly benefit of \$140 plus \$17 per year of service. This subsidy is payable for life and is assumed to remain fixed in the future. Employees who retire with at least ten years of service but before attaining normal retirement eligibility are eligible for a reduction to this benefit in the amount of 6% for each year between their age of retirement and age 55. This reduction remains fixed in the future.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

In the Sheriff Plan, for employees who retire in good standing after 6 years of service and who elect to retain medical and/or dental coverage, the County provides a general subsidy of \$16 per month per year of service to help pay for medical and dental coverage for the retiree and their family members. This subsidy ends at the death of the retiree. A special subsidy of 90% of medical and dental premiums for employee or employee-plus-one coverage is offered to the Sheriff, Chief Deputy, Chief Operating Officer, Director, and Colonel. A special subsidy of 80% of medical and dental premiums for employee or employee-plus-one coverage is offered to the Major, Chief Financial Officer and Bureau Director. A special subsidy of 100% of medical and dental premiums for employee or employee-plus-one coverage is offered to employees who become disabled in the line of duty and spouses of employees who die in the line of duty. Some current retirees receive special subsidies as part of past separation incentive agreements. In addition, the County pays the difference between the true age-related cost of the medical and dental benefits and the average premium rates established for the option and tier of coverage.

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 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, 2010:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union	SWA
Annual required contribution (ARC)	\$ 1,202,000	\$ 148,787	\$ 37,777	\$ 412,000	\$ 17,800,000	\$ 12,921,000	\$ 186,000
Interest on net OPEB obligation	23,000	17,053	3,004	5,000	1,100,000	277,000	3,000
Adjustment to annually required contribution	(20,000)	(13,537)	(2,384)	(4,000)	(900,000)	(224,000)	(3,000)
Annual OPEB cost	1,205,000	152,303	38,397	413,000	18,000,000	12,974,000	186,000
Contributions made	(1,117,941)	-	-	(381,476)	(4,500,000)	(4,557,739)	(59,971)
Increase in net OPEB obligation	87,059	152,303	38,397	31,524	13,500,000	8,416,261	126,029
Net OPEB obligation-beginning of year	511,147	341,054	60,074	102,958	22,500,000	5,432,098	221,000
Net OPEB obligation-end of year	\$ 598,206	\$ 493,357	\$ 98,471	\$ 134,482	\$ 36,000,000	\$ 13,848,359	\$ 347,029

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 %	\$ 319,858
9/30/2009	1,273,000	85.0	511,147
9/30/2010	1,205,000	92.8	598,206
Tax Collector			
9/30/2008	\$ 169,979	0.0 %	\$ 169,979
9/30/2009	171,075	0.0	341,054
9/30/2010	152,303	0.0	493,357
Property Appraiser			
9/30/2008	\$ 29,562	0.0 %	\$ 29,562
9/30/2009	30,512	0.0	60,074
9/30/2010	38,397	0.0	98,471
Clerk & Comptroller			
9/30/2008	\$ 520,000	85.0 %	\$ 77,955
9/30/2009	522,000	95.2	102,958
9/30/2010	413,000	92.4	134,482
Sheriff			
9/30/2008	\$ 15,300,000	28.1 %	\$ 11,000,000
9/30/2009	16,200,000	29.0	22,500,000
9/30/2010	18,000,000	25.0	36,000,000
Fire Rescue Union			
9/30/2008	\$ 1,262,872	310.0 %	\$ (2,651,659)
9/30/2009	12,288,000	34.2	5,432,098
9/30/2010	12,974,000	35.1	13,848,359
SWA			
9/30/2009	\$ 186,000	11.7 %	\$ 221,000
9/30/2010	186,000	32.2	347,029

Funded Status and Funding Progress: The plans are financed on a ‘pay-as-you-go’ basis. The funded status of the plans as of the most recent actuarial valuation date was as follows:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union	SWA
Actuarial accrued liability (AAL)	\$ 14,760,000	\$ 1,208,095	\$ 348,156	\$ 5,202,000	\$ 190,600,000	\$ 163,661,000	\$ 1,440,000
Actuarial value of plan asset	-	-	-	-	-	18,136,850	-
Unfunded actuarial accrued liability (UAAL)	\$ 14,760,000	\$ 1,208,095	\$ 348,156	\$ 5,202,000	\$ 190,600,000	\$ 145,524,150	\$ 1,440,000
Funded ratio (actuarial value of plan / AAL)	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	0.0%
Covered payroll (active plan members)	\$ 253,793,723	\$ 10,945,091	\$ 14,286,192	\$ 27,580,451	\$ 269,750,942	\$ 119,353,006	\$ 21,254,000
UAAL as a percentage of covered payroll	5.8%	11.0%	2.4%	18.9%	70.7%	121.9%	6.8%

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union	SWA
Actuarial valuation date	10/1/2009	10/1/2009	10/1/2009	10/1/2009	1/1/2010	10/1/2009	10/1/2008
Actuarial cost method	Projected Unit credit actuarial cost method	Entry age normal actuarial cost method	Entry age normal actuarial cost method	Projected Unit credit actuarial cost method	Projected Unit credit actuarial cost method	Projected Unit credit actuarial cost method	Projected Unit credit actuarial cost method
Actuarial amortization method	Level percentage of projected payroll on open basis	Level percentage of projected payroll on closed basis	Level percentage of projected payroll on closed basis	Level percentage of projected payroll on open basis	Level percentage of projected payroll on open basis	Level percentage of projected payroll on open basis	Level percentage of projected payroll on open basis
Remaining amortization period	30 yrs- Open	30 yrs- Closed	30 yrs- Closed	30 yrs- Open	30 yrs- Open	30 yrs- Open	30 yrs- Open
Asset valuation method	na	na	na	na	na	na	na
Actuarial assumptions							
Investment rate of return	4.5%	5.0%	5.0%	4.5%	5.0%	5.1%	6.0%
Projected salary increases	3.5%	4.0%	4.0%	3.5%	4.0%	3.5%	3.5%
Healthcare inflation rate-initial	11.0%	8.0%	8.0%	11.0%	7.8%	11.0%	11.5%
Healthcare trend rate-ultimate	5.0%	5.0%	5.0%	5.0%	4.7%	5.0%	5.0%

Long Term Disability Benefits Provided to Retirees

Plan Description: The Palm Beach County Fire Rescue Supplemental Disability Plan is a defined benefit plan that provides disability benefits to eligible disabled Fire Fighters and District Chiefs permanently prevented from rendering useful and efficient service as a Fire Fighter and District Chiefs incurred in the line of duty. The plan is a single employer plan which is administered by the Palm Beach County Fire Rescue Department. The plan does not issue a separate stand alone financial report.

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 current fiscal year, the amount contributed to the plan, and changes in the net OPEB obligation:

Annual required contribution	\$ 801,465
Interest on net OPEB obligation	8,901
Adjustment to annual required contribution	(11,377)
Annual OPEB cost (expense)	<u>798,989</u>
Contributions made	<u>(672,614)</u>
Increase in net OPEB obligation	126,375
Net OPEB obligation (asset)- beginning of year	<u>(208,367)</u>
Net OPEB obligation (asset)- end of year	<u><u>\$ (81,992)</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding two fiscal years 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)
9/30/2009	672,745	98.2%	(208,367)
9/30/2010	798,989	84.2%	(81,992)

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, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 10,053,003
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 10,053,003</u>
Funded ratio (actuarial value of plan / AAL)	0.0%
Covered payroll (active plan members)	\$133,283,977
UAAL as a percentage of covered payroll	7.5%

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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

Actuarial valuation date	10/1/2009
Actuarial cost method	Entry age normal actuarial cost method
Amortization method	Level Percentage of Projected Payroll on Open Basis
Remaining amortization period	30 years- open
Asset valuation method	na
Actuarial assumptions:	
Investment rate of return	5.5%
Projected salary increases	4.0%
Cost of living adjustments	None

COMPONENT UNIT

The Metropolitan Planning Organization (MPO) employees are County employees and participate in the County’s healthcare plan. The ‘plan description’, ‘funding policy’, ‘OPEB Cost and Net OPEB Obligation’, ‘Funded Status and Funding Progress’, and ‘Actuarial Methods and Assumptions’ are disclosed for the County under the preceding ‘Reporting Unit’ section of this note. In fiscal year 2010, MPO reported an OPEB cost of \$3,318 and net OPEB obligation of \$5,006 as their pro rata share of the County’s plan.

10. 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

revenues. Contingent rental income under such arrangements amounted to approximately \$4,262,772 in fiscal year 2010. 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>
2011	\$ 39,358,172
2012	11,680,809
2013	10,627,854
2014	9,966,058
2015	9,459,951
Thereafter	69,454,013
Total	<u><u>\$150,546,857</u></u>

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

	<u>September 30, 2010</u>
Buildings	\$ 229,048,430
Less: accumulated depreciation	<u>(123,721,963)</u>
Net Buildings	105,326,467
Land	<u>5,530,372</u>
Total property held for lease	<u><u>\$ 110,856,839</u></u>

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, 2010 amounted to approximately \$5,177,550 comprised of \$5,023,971 for Governmental funds, \$138,949 for Enterprise Funds, and \$14,630 for Internal Service Funds.

Operating Leases

Future minimum rental payments under non-cancellable operating leases as of September 30, 2010 are as follows:

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Fiscal Year	Governmental Funds	Enterprise Funds	Internal Service Funds
2011	\$ 3,646,655	\$ 107,621	\$ 14,712
2012	2,780,197	67,894	10,504
2013	2,150,405	28,986	4,180
2014	1,581,018	-	-
2015	405,219	-	-
Thereafter	469,102	-	-
Total	<u>\$ 11,032,596</u>	<u>\$ 204,501</u>	<u>\$ 29,396</u>

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 governmental and proprietary fund types.

11. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The SWA operated one active landfill site for the year ended September 30, 2010. 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, 2010 are as follows:

Accrued closure and postclosure care costs	\$ 31,450,195
Accrued postclosure care for closed landfills	5,113,011
Total Accrued Landfill Closure Costs	<u>\$ 36,563,206</u>

The \$31,450,195 of accrued closure and postclosure care liabilities at September 30, 2010 represents the cumulative cost based on the use of 36.6 percent of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

postclosure care of approximately \$65.8 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 2010. 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, 2010 assets of \$31,586,170 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, 2010, the statutorily required escrow account balances were as follows:

Site	September 30, 2010
Site 7 closure costs	\$ 20,474,714
Dyer landfill long-term care	319,563
	<u>\$ 20,794,277</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, 2010, 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.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

12. 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.

On September 7, 2010, Palm Beach County issued \$19,530,000 General Obligation Refunding Bonds (Library District Improvement Project), Series 2010 with an effective interest rate of 2.194% to advance refund \$18,025,000 of outstanding General Obligation Bonds (Library District Improvement Project), Series 2003. The net proceeds of \$20,467,288 (after allowing for \$1,114,948 in bond premium and \$177,660 in issuance costs) were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds.

The reacquisition price exceeded the carrying amount, resulting in an accounting loss of \$1,406,618. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The County decreased its aggregate debt service payments by \$2,128,039 over a period of thirteen years and results in an economic gain of \$1,860,528 (difference between the present value of the old and new debt service payments). The purpose of the refunding was to take advantage of the unusually low interest rates that were available at this time.

The amount of in-substance defeased bonds outstanding, as of September 30, 2010, consists of the following:

<u>Bond Issues</u>	<u>Amount</u>
Governmental Funds:	
General Obligation Bonds (Land Acquisition), 2001A	\$ 47,515,000
Public Improvement Revenue Bonds (Convention Center Project), 2001	68,335,000
General Obligation Bonds (Library District Improvement Project), 2003	18,025,000
	<u>133,875,000</u>
Proprietary Funds:	
Water & Sewer Refunding Revenue Bonds, 1986	10,685,000
Airport Refunding Revenue Bonds, 2001	3,240,000
Airport Refunding Revenue Bonds, 2002	14,740,000
	<u>28,665,000</u>
Total Defeased Bonds Outstanding	<u>\$ 162,540,000</u>

Current year refunding Governmental Funds:

On April 28, 2010, Palm Beach County issued \$11,598,107 Taxable Public Improvement Revenue Bonds (Convention Center Hotel Project), Series 2010 with an effective interest rate of 5.632% to refund the County's \$11,543,892 Taxable Public Improvement Revenue Bond

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Anticipation Note (Convention Center Hotel Project), Series 2007. The net proceeds of \$11,543,892 (after allowing for \$54,215 in issuance costs) were used to pay the principal on the note.

The carrying amount was equal to the reacquisition price, resulting in neither an accounting gain nor loss. The County increased its aggregate debt service payments by \$5,305,609 over a period of fourteen years and incurred an economic gain of \$18,072 (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 note at maturity with a fixed rate bond.

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 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, 2010 are \$1,615,000.

13. RECLASSIFICATION

Effective October 1, 2009, the County reclassified the Information Systems Services (ISS) Internal Service Fund into the General Fund as a department. As a result, the current resources of \$2,691,598 were transferred in and noncurrent resources \$1,141,415 were eliminated from the fund level.

14. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2010 are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2010 were as follows:

Interfund Receivable Fund	Interfund Payable Fund	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Fire Rescue Special Revenue Fund	\$ 2,592,728
	Sheriff Special Revenue Fund	15,671,743
	Law Enforcement Grants Special Revenue Fund	1,350,524
	Community & Social Development Special Revenue Fund	7,452,915
	Other Special Revenue Funds	790,008
	Clerk & Comptroller Special Revenue Fund	1,636,826

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Interfund Receivable Fund	Interfund Payable Fund	Amount
	Tax Collector Special Revenue Fund	30,125,413
	Property Appraiser Special Revenue Fund	1,465,945
	Supervisor of Elections Special Revenue Fund	2,651,281
	Solid Waste Authority	8,262
		<u>\$ 63,745,645</u>
Fire Rescue Special Revenue Fund	Sheriff Special Revenue Fund	\$ 8,880
	Tax Collector Special Revenue Fund	2,524,465
	Property Appraiser Special Revenue Fund	117,673
	Supervisor of Elections Special Revenue Fund	27,393
	Solid Waste Authority	500
		<u>\$ 2,678,911</u>
Sheriff Special Revenue Fund	Criminal Justice Capital Projects	\$ 36,605
		<u>\$ 36,605</u>
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	Sheriff Special Revenue Fund	\$ 5,594,035
	Other Special Revenue Funds	2,719
		<u>\$ 5,596,754</u>
County Transportation Trust Special Revenue Fund	Road Program Capital Projects	\$ 1,337,866
		<u>\$ 1,337,866</u>
Library Taxing District Special Revenue Fund	Tax Collector Special Revenue Fund	\$ 498,906
	Property Appraiser Special Revenue Fund	26,751
		<u>\$ 525,657</u>
Community & Social Development Special Revenue Fund	General Fund	\$ 6,969,795
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	21,575
		<u>\$ 6,991,370</u>
Affordable Housing (SHIP) Trust Fund Special Revenue Fund	Community & Social Development Special Revenue Fund	\$ 27,563
		<u>\$ 27,563</u>
Other Special Revenue Funds	General Fund	\$ 8,472,791
	Sheriff Special Revenue Fund	3,460
	Clerk & Comptroller Special Revenue Fund	136,091
	Parks & Recreation Capital Projects	36,294
		<u>\$ 8,648,636</u>
Clerk & Comptroller Special Revenue Fund	General Fund	\$ 826,025
	Road Program Capital Projects	404
	Library Taxing District Special Revenue Fund	2,098
	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	140
	Other Special Revenue Funds	377
	Airports	135,237
	Water Utilities	6,367
	Clerk & Comptroller Insurance Fund	731,602
		<u>\$ 1,702,250</u>
Property Appraiser Special Revenue Fund	Tax Collector Special Revenue Fund	\$ 1,715
		<u>\$ 1,715</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Interfund Receivable Fund	Interfund Payable Fund	Amount
Nonmajor Capital Projects Funds		
Environmental Lands Capital Projects	Tourist Development Special Revenue Fund	\$ 233,501
	Other Special Revenue Funds	215,139
		<u>\$ 448,640</u>
General Government Capital Projects	Sheriff Special Revenue Fund	40,430
	Road Program Capital Projects	10,238
	Community & Social Development Special Revenue Fund	1,331,587
	Other Special Revenue Funds	259,314
	Tax Collector Special Revenue Fund	42,861
		<u>\$ 1,684,430</u>
Street & Drainage Capital Projects	Tax Collector Special Revenue Fund	\$ 3,268
		<u>\$ 3,268</u>
Total Nonmajor Governmental Funds		<u>\$ 26,968,149</u>
Proprietary Funds:		
Enterprise Funds		
Water Utilities	General Fund	\$ 21,904
	Fire Rescue Special Revenue Fund	1,813
	County Transportation Trust Special Revenue Fund	502
	Library Taxing District Special Revenue Fund	2,065
	Community & Social Development Special Revenue Fund	1,093
	Other Special Revenue Funds	398
	Tax Collector Special Revenue Fund	8,000
	Airports	63
		<u>\$ 35,838</u>
Solid Waste Authority	General Fund	\$ 609
	Sheriff Special Revenue Fund	235
	County Transportation Trust Special Revenue Fund	2,975
	Other Special Revenue Funds	688
	Tax Collector Special Revenue Fund	2,062,503
		<u>\$ 2,067,010</u>
Internal Service Funds		
Fleet Management	General Fund	\$ 693,588
	Fire Rescue Special Revenue Fund	108,749
	Sheriff Special Revenue Fund	476,837
	Road Program Capital Projects	19,977
	County Transportation Trust Special Revenue Fund	552,943
	Municipal Service Taxing District Special Revenue Fund	28,626
	Library Taxing District Special Revenue Fund	11,468
	Community & Social Development Special Revenue Fund	58,654
	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	468
	Palm Tran Special Revenue Fund	29,903
	Other Special Revenue Funds	31,977
	Clerk & Comptroller Special Revenue Fund	2,392
	Tax Collector Special Revenue Fund	972
	Property Appraiser Special Revenue Fund	731
	Supervisor of Elections Special Revenue Fund	2,429
	Airports	81,507
	Water Utilities	319,642

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Interfund Receivable Fund	Interfund Payable Fund	Amount
	Solid Waste Authority	333
	Combined Insurance Fund	589
		\$ 2,421,785
Combined Insurance Fund	General Fund	\$ 1,196,613
	Fire Rescue Special Revenue Fund	33,757
	Sheriff Special Revenue Fund	237,631
	Road Program Capital Projects	25,875
	Tourist Development Special Revenue Fund	1,811
	County Transportation Trust Special Revenue Fund	191,824
	Municipal Service Taxing District Special Revenue Fund	56,659
	Library Taxing District Special Revenue Fund	190,744
	Community & Social Development Special Revenue Fund	237,068
	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	3,277
	Palm Tran Special Revenue Fund	301,957
	Other Special Revenue Funds	27,358
	Airports	83,760
	Water Utilities	314,987
	Fleet Management	37,261
		\$ 2,940,582
Clerk & Comptroller Insurance Fund	Clerk & Comptroller Special Revenue Fund	\$ 418,282
		\$ 418,282
Total Internal Service Funds		\$ 5,780,649
Total Interfund Receivables and Payables Primary Government		\$ 101,312,807
Receivables and Payables Between Primary Government and Component Units:		
Interfund Receivable Primary Government Fund	Interfund Payable Component Unit Fund	Amount
General Fund	Housing Finance Authority	\$ 39,367
Combined Insurance Fund	Metropolitan Planning Organization	3,891
		\$ 43,258
Interfund Receivable Component Unit Fund	Interfund Payable Primary Government Fund	Amount
Metropolitan Planning Organization	General Fund	\$ 248,976
Housing Finance Authority	General Fund	6,035,931
		\$ 6,284,907
Total Receivables and Payables Between Primary Government and Component Units		\$ 6,328,165

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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

15. 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, 2010 for both governmental activities and business-type activities:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
General obligation bonds	\$ 270,150,000	\$ 19,530,000	\$ 39,210,000	\$ 250,470,000	\$ 22,570,000
Non-ad valorem revenue bonds	924,051,617	11,598,107	58,016,492	877,633,232	59,008,366
Face amount of bonds payable	1,194,201,617	31,128,107	97,226,492	1,128,103,232	81,578,366
Unamortized bond premiums	31,962,706	1,114,948	3,121,806	29,955,848	-
Unamortized loss on bond refinancing	(11,576,607)	(1,406,618)	(868,984)	(12,114,241)	-
Net bonds payable	1,214,587,716	30,836,437	99,479,314	1,145,944,839	81,578,366
Notes and loans payable	41,327,256	1,426,000	12,436,588	30,316,668	848,784
Arbitrage liability	14,746,359	1,748,799	3,089,377	13,405,781	3,033,674
Compensated absences	122,840,843	53,146,362	47,756,596	128,230,609	6,401,782
OPEB	28,805,268	22,267,945	105,957	50,967,256	-
Net pension obligation	252,006	2,501,372	-	2,753,378	-
Termination benefits	1,470,948	960,755	570,331	1,861,372	897,289
Capital leases	3,313	-	3,313	-	-
Estimated Self-Insurance Obligation	88,437,809	91,376,257	82,074,000	97,740,066	23,618,570
Governmental activity long-term liabilities	\$ 1,512,471,518	\$ 204,263,927	\$ 245,515,476	\$ 1,471,219,969	\$ 116,378,465

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 \$62,760,000 of internal service funds long-term liabilities are included in the above amounts.

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Revenue bonds	\$ 947,942,818	\$ -	\$ 93,700,000	\$ 854,242,818	\$ 18,430,000
Unamortized bond premiums	14,314,796	-	1,986,607	12,328,189	-
Unamortized loss on bond refinancing	(4,788,087)	-	(2,378,239)	(2,409,848)	-
Net bonds payable	957,469,527	-	93,308,368	864,161,159	18,430,000
Notes and loans payable	76,000,000	-	4,000,000	72,000,000	4,000,000
Accrued interest on notes and capital appreciation bonds	40,530,727	5,722,239	-	46,252,966	-
Accrued landfill costs	26,211,736	10,351,470	-	36,563,206	319,563
Arbitrage liability	-	644,798	-	644,798	-
Joint venture liability	*	1,958,970	272,087	1,686,883	276,780
Compensated absences	8,820,670	2,980,523	2,478,365	9,322,828	657,602
OPEB	357,053	190,589	-	547,642	-
Termination benefits	132,366	230,136	50,592	311,910	161,921
Business-type activities long-term liabilities	\$ 1,111,481,049	\$ 20,119,755	\$ 100,109,412	\$ 1,031,491,392	\$ 23,845,866

* Water Utilities' portion of ECR Loans were not included in the Long-Term Debt Note in prior years. As a result, a line for joint venture liability has been added with a beginning balance of \$1,958,970.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Governmental Activities General Long-Term Debt

General long-term debt, including current maturities, at September 30, 2010 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 remaining annual installment is \$4,135,000 due July 1, 2011; with interest rate of 6.750% payable semi-annually on January 1 and July 1. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 4,135,000

\$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 \$3,270,000 to \$4,030,000 through December 1, 2014; with interest rates from 5.000% 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. \$ 18,190,000

\$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 \$1,270,000 to \$1,350,000 through July 1, 2013; with interest rates from 2.875% to 3.125% 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. The County advance refunded \$18,025,000 of this issue on September 7, 2010. \$ 3,930,000

\$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 \$1,090,000 to \$1,780,000 through July 1, 2023; with interest rates from 3.125% 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. \$ 18,110,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$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 \$1,330,000 to \$1,920,000 through August 1, 2019; with interest rates from 3.500% 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. \$ 14,540,000

\$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 \$1,005,000 to \$1,860,000 through July 1, 2025; with interest rates from 3.250% 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. \$ 20,480,000

\$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 \$935,000 to \$1,665,000 through August 1, 2025; 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. \$ 18,895,000

\$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 \$1,975,000 to \$3,570,000 through August 1, 2026; with interest rates from 3.500% 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. \$ 42,720,000

\$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 \$7,230,000 to \$11,355,000 through June 1, 2020; with interest rates from 5.716% 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. \$ 89,940,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$19,530,000 General Obligation Refunding Bonds (Library District Improvement Project), Series 2010 were issued for paying and defeasing the County's outstanding General Obligation Bonds (Library District Improvement Project), Series 2003 maturing on and after July 1, 2014. The annual installments range from \$330,000 to \$2,090,000 through July 1, 2023; with interest rates from 2.000% to 3.000% 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. \$ 19,530,000

Total General Obligation Bonds \$ 250,470,000

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. \$ 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 remaining annual installment is \$1,865,000 due June 1, 2011; with an interest rate of 5.250% payable semi-annually on December 1 and June 1. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 1,865,000

\$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 remaining annual installment is \$13,365,000 due June 1, 2011; with an interest rate of 5.375% payable semi-annually on December 1 and June 1. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 13,365,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$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. \$ 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 \$1,660,000 to \$2,015,000 through June 1, 2015; with an interest rate of 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. \$ 9,170,000

\$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 \$615,000 to \$685,000 through July 1, 2014; with interest rates from 3.375% 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. \$ 2,600,000

\$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 2.800% 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. \$ 68,870,000

\$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 \$1,705,000 to \$5,240,000 through November 1, 2030; 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. \$ 76,115,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$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 \$1,620,000 to \$2,715,000 through November 1, 2024; with interest rates from 3.000% 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.

\$ 31,345,000

\$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 are \$2,442,751 through November 1, 2014; with a variable rate of interest in effect of 0.355% 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.

\$ 12,213,755

\$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 \$1,580,000 to \$2,000,000 through November 1, 2016; 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.

\$ 12,435,000

\$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 \$1,195,000 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.

\$ 11,080,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$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 \$925,000 to \$1,120,000 through November 1, 2015; with interest rates from 3.250% 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.

\$ 6,090,000

\$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 \$5,145,000 to \$10,190,000 through June 1, 2025; with an interest rate of 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.

\$ 111,065,000

\$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 \$1,605,000 to \$2,090,000 through December 1, 2016; with interest rates of 3.250% 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.

\$ 12,885,000

\$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 \$1,459,447 to \$1,641,680 through January 1, 2014; with a variable rate of interest in effect of 0.570% 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.

\$ 6,197,490

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$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 \$545,000 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. \$ 13,190,000

\$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 \$93,597 to \$182,616 through November 1, 2027; with an interest rate 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. \$ 2,402,544

\$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 \$164,199 to \$411,965 through November 1, 2027; with an interest rate 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. \$ 4,868,187

\$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 \$3,320,000 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. \$ 91,825,000

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

\$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 \$5,749,956 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. \$ 24,086,149

\$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 \$2,491,000 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. \$ 21,222,000

\$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 \$3,245,000 to \$10,730,000 through May 1, 2038; 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. \$ 171,410,000

\$94,235,000 Public Improvement Revenue Bonds, Series 2008-2 were issued to distribute funds to Max Planck Florida Corporation to establish a biomedical research facility in the County and also to refinance the County's five Series J variable rate loans with the Sunshine State Governmental Financing Commission. The annual installments range from \$3,035,000 to \$7,295,000 through November 1, 2028; with interest rates from 4.000% to 5.500% 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. \$ 91,165,000

\$11,598,107 Taxable Public Improvement Revenue Bonds (Convention Center Hotel Project), Series 2010 were issued to pay the principal on the County's Taxable Public Improvement Revenue Bond Anticipation Notes (Convention Center Hotel Project), Series 2007. The annual installments range from \$532,646 to \$1,066,262 through November 1, 2024; with an interest rate of 5.484% 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. \$ 11,598,107

Total Non-Ad Valorem Revenue Bonds \$ 877,633,232

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Face Amount of Bonds Payable	\$1,128,103,232
Unamortized bond premiums	29,955,848
Unamortized loss on bond refinancing	(12,114,241)
Net General Obligation and Non-Ad Valorem Revenue Bonds	\$1,145,944,839

Notes and Loans Payable

\$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 4.790% to 5.970% payable semi-annually on February 1 and August 1 of each year. The loan is a general obligation of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrower. In the event the cash flows from the sub-recipient are not sufficient to service the HUD loan, the County is obligated to use other resources.

\$ 1,138,000

\$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 1.093% 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.

\$ 10,527,908

\$16,140,760 Capital Improvement Bond Anticipation Note, Series 2009 was issued to finance the cost of renovation, construction and equipping of public improvement facilities. Interest is payable semiannually on June 1 and December 1 with the entire principal due on June 1, 2012; at a variable rate of interest in effect of 1.129% 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.

\$ 16,140,760

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$2,600,000 - HUD Section 108 Loan Commitment was obtained to provide funding for County loans to various borrowers for the Belle Glade Avenue "A" Revitalization Project. The annual installments range from \$45,000 to \$69,900 through August 1, 2030; with a variable rate of interest in effect of 0.490% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipients are not sufficient to service the HUD loans, the County is obligated to use other resources. As of September 30, 2010 the outstanding individual loans are as follows:

\$199,000 – Glades Gas & Electric, 2009	\$ 184,000
\$ 89,000 – Glades Home Health Care Medical Center, 2010	\$ 89,000
\$878,000 – Muslet Brothers, 2010	\$ 878,000

\$13,340,000 - HUD Section 108 Loan Commitment was obtained to provide funding for County loans to various borrowers for the Community Development Business Loan Program Project. The annual installments range from \$32,000 to \$131,000 through August 1, 2020; with a variable rate of interest in effect of 0.490% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipients are not sufficient to service the HUD loans, the County is obligated to use other resources. As of September 30, 2010 the outstanding individual loans are as follows:

\$1,000,000 – The Baron Group, 2009	\$ 900,000
\$ 57,000 – Kiddie Haven Pre-School, 2010	\$ 57,000
\$ 250,000 – Concrete Services LLC, 2010	\$ 250,000

\$2,824,000 - HUD Section 108 Loan Commitment was obtained to provide funding for County loans to various borrowers for the Pahokee Downtown Revitalization Project. The annual installments range from \$3,000 to \$8,000 through August 1, 2030; with a variable rate of interest in effect of 0.490% payable quarterly on February 1, May 1, August 1 and November 1 of each year. The loans are general obligations of the County. The debt service will be paid using the cash flows received by the County from the sub-recipient borrowers. In the event the cash flows from the sub-recipient are not sufficient to service the HUD loans, the County is obligated to use other resources. As of September 30, 2010 the outstanding individual loans are as follows:

\$152,000 – Circle S Pharmacy, 2010	\$ 152,000
-------------------------------------	------------

Total Notes and Other Loans Payable	\$ 30,316,668
-------------------------------------	---------------

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Lines of Credit

On May 21, 2009, 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 20, 2011. Interest on the principal balance accrues at a rate equivalent to the one-month 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, 2010.

On June 4, 2009, 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 June 3, 2011. 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 31st through 60th day such amount is outstanding, 0.5%; for the 61st through 90th day such amount is outstanding, 1.0%; and after the 90th 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, 2010.

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.

\$ 13,405,781

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Compensated absences

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

County Funds:

General Fund	\$ 16,842,020
Special Revenue Funds	24,264,368
Capital Projects Fund	720,702
Internal Service Funds	917,748

Constitutional Officers:

Sheriff	78,942,221
Clerk & Comptroller	2,896,814
Tax Collector	1,038,565
Property Appraiser	2,396,476
Supervisor of Elections	<u>211,695</u>

\$ 128,230,609

OPEB (See note on OPEB)

50,967,256

Net pension obligation (See note on Retirement Plans)

2,753,378

Termination benefits (See note on Commitments)

1,861,372

Estimated Self-Insurance Obligation (See note on Risk Management)

97,740,066

Total Governmental Activities General Long-Term Debt including
current portion

\$1,471,219,969

Business-type Activities Long-Term Debt

Business-type long-term debt, including current portion, at September 30, 2010 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 \$1,645,000 to \$1,715,000 through October 1, 2011; with interest rates from 4.400% 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.

\$ 3,360,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$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 \$1,120,000 through October 1, 2013; with interest rates from 2.375% 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.

\$ 3,980,000

\$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 remaining annual installment is \$3,985,000 due April 1, 2011; with an interest rate of 5.000% payable semi-annually on October 1 and April 1. 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.

\$ 3,985,000

\$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 \$2,260,000 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 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.

\$ 119,525,000

\$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 4.000% 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.

\$ 12,320,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$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 \$1,645,000 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.

\$ 3,573,000

\$68,115,000 Water and Sewer Revenue Bonds, Series 2009 (FPL Reclaimed Water Project) were issued to finance the acquisition and construction of additions to the County's Water and Sewer System and to reimburse Florida Power and Light for costs advanced by them. The annual installments range from \$1,065,000 to \$4,225,000 through October 1, 2040; with interest rates from 4.000% to 5.250% 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 fees.

\$ 68,115,000

\$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 remaining annual installment is \$7,975,000 due October 1, 2010; with an interest rate of 4.250% payable on October 1. 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.

\$ 7,975,000

\$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.

\$ 45,410,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$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. \$ 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. \$ 16,855,000

\$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, which have matured. \$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. \$ 34,240,432

\$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. \$ 38,734,386

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

\$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 2.500% 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. \$ 33,980,000

\$131,565,000 Solid Waste Authority Improvement Revenue Bonds, Series 2008B were issued to fund various solid waste system projects. The annual installments range from \$10,700,000 to \$34,965,000 from October 1, 2024 through October 1, 2028; with interest rates from 5.500% to 5.625% 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. \$ 131,565,000

\$261,545,000 Solid Waste Authority Improvement Revenue Bonds, Series 2009 were issued to finance the 2008 Project. The annual installments range from \$2,500,000 to \$31,270,000 from October 1, 2011 through October 1, 2028; with interest rates from 3.000% 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 secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. \$ 261,545,000

Total face value of revenue bonds payable	\$ 854,242,818
Unamortized bond premiums	12,328,189
Unamortized loss on bond refinancing	<u>(2,409,848)</u>
Net Revenue Bonds, Business-Type Activities	<u>\$ 864,161,159</u>

Notes and Loans Payable

\$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 0.990% 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. \$ 72,000,000

Total notes and loans payable \$ 72,000,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Line of Credit

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, 2010.

Accrued interest payable on notes and capital appreciation bonds	\$ 46,252,966
Accrued landfill costs	36,563,206
Arbitrage liability (See explanation in Governmental Activities section)	644,798

Joint Venture Liability

In April 1993, the Water Utilities Department entered into a "Participatory Agreement" with four municipalities for certain improvements to East Central Regional Wastewater Facilities (ECR). The improvements totaling \$38,755,000, with \$5,832,000 being the Department's share, were completed in fiscal year 1998. Partial funding was provided by State of Florida, Department of Environmental Protection Revolving Loan Funds approved in March and September 1994. Actual amounts borrowed were \$21,319,410 and \$648,738, respectively. The loans are payable over twenty-year periods and carry effective interest rates ranging from 2.300% to 3.170%. The Department's portion of the annual debt service for the loans is \$319,200.

	\$ 1,686,883
--	--------------

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Compensated absences

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

Business-Type Fund

Water Utilities Department	\$	3,056,254	
Department of Airports		1,181,846	
Solid Waste Authority		5,084,728	
	\$		9,322,828
OPEB (See note on OPEB)			547,642
Termination benefits (See note on Retirement Plans)			311,910
Total Business-Type Activities Long-Term Debt, including current portion			\$1,031,491,392

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

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	
	2011	\$ 22,570,000	\$ 11,921,522	\$ 59,008,366	\$ 41,141,638	\$ 848,784	
2012	19,205,000	10,864,679	61,282,235	38,712,978	17,017,544	360,791	147,443,227
2013	20,130,000	9,940,468	64,301,549	36,121,482	879,784	166,791	131,540,074
2014	21,100,000	8,957,449	66,841,228	33,318,673	879,783	154,961	131,252,094
2015	22,110,000	7,929,323	61,101,336	30,204,340	879,784	143,036	122,367,819
2016-2020	98,770,000	24,657,060	185,441,066	117,337,814	4,294,919	532,113	431,032,972
2021-2025	43,015,000	6,052,013	192,758,512	72,342,468	3,482,419	235,072	317,885,484
2026-2030	3,570,000	156,187	108,848,940	32,251,586	2,033,651	42,374	146,902,738
2031-2035	-	-	47,370,000	14,326,000	-	-	61,696,000
2036-2040	-	-	30,680,000	3,118,000	-	-	33,798,000
Total	\$ 250,470,000	\$ 80,478,701	\$ 877,633,232	\$ 418,874,979	\$ 30,316,668	\$ 2,007,144	\$ 1,659,780,724

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	
2011	\$ 18,430,000	\$ 39,388,523	\$ 4,000,000	\$ 700,000	\$ 62,518,523
2012	57,298,830	39,922,666	4,000,000	660,000	101,881,496
2013	40,169,629	56,230,894	4,000,000	620,000	101,020,523
2014	32,559,973	47,770,950	4,000,000	580,000	84,910,923
2015	35,049,586	44,420,643	4,000,000	540,000	84,010,229
2016-2020	145,364,800	178,488,068	20,000,000	2,100,000	345,952,868
2021-2025	192,455,000	112,643,277	20,000,000	1,100,000	326,198,277
2026-2030	212,110,000	55,286,244	12,000,000	180,000	279,576,244
2031-2035	71,300,000	21,518,894	-	-	92,818,894
2036-2040	45,280,000	4,761,325	-	-	50,041,325
2041-2045	4,225,000	105,625	-	-	4,330,625
Total	\$ 854,242,818	\$ 600,537,109	\$ 72,000,000	\$ 6,480,000	\$ 1,533,259,927

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

COMPONENT UNITS:

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 169,276	\$ 10,112	\$ 1,012	\$ 178,376	\$ 11,594
OPEB	6,010	-	1,004	5,006	-
Total	\$ 175,286	\$ 10,112	\$ 2,016	\$ 183,382	\$ 11,594

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 1,900,000	\$ -	\$ 175,000	\$ 1,725,000	\$ 185,000
Loans payable	2,061,548	-	259,403	1,802,145	270,317
Mortgage payable (A)	178,751	-	11,311	167,440	12,128
Mortgage payable (B)	240,974	-	95,003	145,971	145,971
Mortgage payable (C)	260,000	-	-	260,000	-
Total	\$ 4,641,273	\$ -	\$ 540,717	\$ 4,100,556	\$ 613,416

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, 2010 were \$1,725,000 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 (A) – The mortgage is payable in monthly installment payments of \$1,955 including interest with a maturity of August 3, 2013 and interest rate of 7%. The mortgage is secured by the building.

Mortgage payable (B) – The mortgage is payable in monthly installment payments of \$2,519, interest only, with an extended maturity of September 30, 2010 and interest rate of 6.5%. The mortgage is secured by the building.

Mortgage payable (C) – The mortgage is payable in monthly installment payments of \$1,625, interest only, with a maturity of September 28, 2013 and interest rate of 7.5%. The mortgage is secured by the building.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

Year Ending September 30	Bond Obligation		
	Principal	Interest	Total
2011	\$ 185,000	\$ 74,917	\$ 259,917
2012	190,000	66,760	256,760
2013	200,000	58,180	258,180
2014	210,000	49,055	259,055
2015	220,000	39,270	259,270
2016-2018	720,000	52,505	772,505
Total	<u>\$ 1,725,000</u>	<u>\$ 340,687</u>	<u>\$ 2,065,687</u>

Year Ending September 30	Loan Payable		
	Principal	Interest	Total
2011	\$ 270,317	\$ 75,828	\$ 346,145
2012	281,515	64,630	346,145
2013	293,536	52,609	346,145
2014	305,887	40,258	346,145
2015	318,758	27,387	346,145
2016	332,132	14,013	346,145
Total	<u>\$ 1,802,145</u>	<u>\$ 274,725</u>	<u>\$ 2,076,870</u>

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2011	\$ 12,128	\$ 11,337	\$ 23,465
2012	13,005	9,612	22,617
2013	142,307	8,764	151,071
Total	<u>\$ 167,440</u>	<u>\$ 29,713</u>	<u>\$ 197,153</u>

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2011	\$ 145,971	\$ 15,222	\$ 161,193
Total	<u>\$ 145,971</u>	<u>\$ 15,222</u>	<u>\$ 161,193</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2011	\$ -	\$ 19,500	\$ 19,500
2012	-	19,500	19,500
2013	260,000	19,500	279,500
Total	\$ 260,000	\$ 58,500	\$ 318,500

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 \$29 million. As of September 30, 2010, there were thirty-seven series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of \$587 million.

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 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, 2010, the HFA has \$245 million of bonds outstanding that were originally issued in the aggregate principal amount of \$301 million.

16. CONTINGENCIES

Litigation

The County is involved in various lawsuits arising in the ordinary course of operations. Where it has been determined that a loss is probable related to these matters a liability has been recorded in our self insurance obligations. In addition the County is involved with other matters the outcome of which 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 would not have a material adverse affect on 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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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 2nd of each year of any deficiency amount that the Agency expects to exist on the next succeeding November 1st. 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 1st and on or before June 5th 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.

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.

17. PLEDGED REVENUES

The County has pledged a portion of future non-ad valorem revenues to repay \$904 million in revenue bonds, notes and loans issued between July 1, 1990 and April 28, 2010. 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 \$1.3 billion with annual requirements ranging from \$11 million in fiscal year 2034 to \$117 million in fiscal year 2012. The pledged non-ad valorem revenues, from which the appropriations will be made, have averaged \$332 million per year over the last 10 years.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Principal and interest paid for the current year and total pledged non-ad valorem revenues were \$102 million and \$380 million, respectively.

The County has pledged future airport revenues net of specified operating expenses, to repay \$139 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 \$224 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 33% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$15 million and \$25 million, respectively.

The County has pledged future water utility revenues net of specified operating expenses, to repay \$215 million in water & sewer revenue bonds issued between June 24, 1998 and July 22, 2009. 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, 2040. Total principal and interest remaining to be paid on the bonds is \$382 million with annual requirements ranging from \$4 million in fiscal year 2041 to \$21 million in fiscal year 2011. 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 \$67 million, respectively.

The Solid Waste Authority (SWA) has pledged future revenues net of specified operating expenses, to repay \$572 million in SWA revenue bonds issued between March 15, 1997 and April 23, 2009. 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, 2028. Total principal and interest remaining to be paid on the bonds and note is \$927 million with annual requirements ranging from \$27 million in fiscal year 2011 to \$68 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 \$102 million and \$52 million, respectively.

18. SUBSEQUENT EVENTS

On October 6, 2010, the County issued \$28,700,000 General Obligation Refunding Bonds, Series 2010 (Recreational and Cultural Facilities) for the purpose of (i) paying and defeasing a portion of the County's General Obligation Bonds, Series 2003 (Recreational and Cultural Facilities) and a portion of its General Obligation Bonds, Series 2005 (Recreational and Cultural Facilities) and (ii) paying the costs of issuance of the Bonds.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Water Utilities Department - On December 7, 2010 the Board of County Commissioners (County) approved four interlocal agreements (Agreements) with the City of West Palm Beach (City) which resolve a number of ongoing water and wastewater utility issues between the two entities. The Agreements require the County to pay the City \$3,504,454 within thirty days of closing for the following:

- Satisfaction of all outstanding principal and interest due under the West Palm Beach/Indian Trail Improvement District Agreement for \$1,950,910.
- Outstanding water system capacity charges due under the West Palm Beach/Indian Trail Improvement District Agreement \$215,800.
- Purchase of water transmission main \$834,325.
- Purchase of wastewater force main \$503,419.

In addition, the settlement transfers to the County ownership of a portion of the City's service area to which the County is able to more efficiently provide water and wastewater services than the City. The agreement also transfers to the City ownership of a portion of the County's service area which the City can serve more efficiently.

The settlement also includes a bulk water purchase agreement in which the County agrees to purchase water from the City, on a take-or-pay basis, potable water to serve the area transferred from the City to the County. The amount of water purchased starts at 75,000 gallons per day on December 1, 2010 at an annual cost of \$96,000. This amount increases gradually each year, reaching 150,000 gallons per day beginning October 1, 2013 at an annual cost of \$192,000. This agreement shall be in effect until September 30, 2030 and will be automatically renewed for subsequent terms of five years unless either party gives at least one-hundred eighty days written notice prior to the expiration of the current term.

Solid Waste Authority - In December 2010, the Authority issued \$750,000,000 Improvement Revenue Bonds, Series 2010 for the purpose of providing funds, together with other legally available moneys, to fund the costs associated with the construction of a new 3,000 tons per day renewable energy facility. Initially, the proceeds of the sale of the Series 2010 Bonds, together with the funds contributed by the Authority, after payment of costs of issuance, will be deposited into the Series 2010 Special Fund, an irrevocable trust with an independent Trustee created under the Indenture. During the period from the date of issuance of these bonds until maturity on January 12, 2012, the Trustee of the Special Fund will invest the amounts on deposit in U.S. Treasury Securities – State and Local Government Series to provide for all future debt service payments due at maturity. As a result, the Series 2010 Bonds are considered to be defeased and do not constitute a debt or indebtedness of the Authority, nor is the Authority obligated for repayment of these bonds. This special fund will secure the bonds until the bonds are remarketed in January of 2012. At that time the moneys in the special fund will be made available to the Authority to fund construction costs.

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, the Palm Beach County Healthcare Plans, and the Fire Rescue Long-Term Disability Plan.

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, 2010
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 672,507,557	\$ 672,507,557	\$ 649,765,008	\$ (22,742,549)
Special assessments	44,000	44,000	-	(44,000)
Licenses and permits	37,203,460	37,203,460	35,430,154	(1,773,306)
Intergovernmental	24,099,488	30,900,060	30,739,104	(160,956)
Charges for services	107,579,312	107,683,559	107,503,398	(180,161)
Fines and forfeitures	1,074,000	1,074,000	1,193,681	119,681
Investment income	17,659,850	17,659,850	11,974,343	(5,685,507)
Miscellaneous	6,638,661	6,738,661	8,318,178	1,579,517
Less 5% anticipated revenues	(43,121,621)	(43,121,621)	-	43,121,621
Total revenues	823,684,707	830,689,526	844,923,866	14,234,340
Expenditures:				
Current:				
General government	228,016,741	250,963,862	132,892,454	118,071,408
Public safety	30,743,592	37,733,065	34,489,977	3,243,088
Physical environment	13,222,393	13,201,186	12,238,547	962,639
Transportation	4,235,000	4,235,000	4,235,000	-
Economic environment	26,286,997	26,311,097	25,505,652	805,445
Human services	52,146,897	52,244,744	49,276,737	2,968,007
Culture and recreation	57,757,901	57,444,853	56,158,487	1,286,366
Capital outlay	404,446	882,495	733,464	149,031
Debt service	107,294	107,294	106,308	986
Total expenditures	412,921,261	443,123,596	315,636,626	127,486,970
Excess of revenues over expenditures	410,763,446	387,565,930	529,287,240	141,721,310
Other financing sources (uses):				
Transfers in	21,835,832	23,819,711	43,729,520	19,909,809
Transfers out	(586,902,758)	(590,198,287)	(584,788,629)	5,409,658
Total other financing sources (uses)	(565,066,926)	(566,378,576)	(541,059,109)	25,319,467
Net change in fund balances	(154,303,480)	(178,812,646)	(11,771,869)	167,040,777
Fund balances, October 1, 2009	154,303,480	178,812,646	180,863,197	2,050,551
Increase in reserves, inventory	-	-	24,669	24,669
Fund balances, September 30, 2010	\$ -	\$ -	\$ 169,115,997	\$ 169,115,997

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, 2010
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 211,529,183	\$ 211,529,183	\$ 203,147,840	\$ (8,381,343)
Special assessments	285,963	285,963	276,281	(9,682)
Licenses and permits	2,000	2,000	8,075	6,075
Intergovernmental	285,880	685,880	332,113	(353,767)
Charges for services	29,413,696	29,413,696	30,351,960	938,264
Investment income	4,186,517	4,186,517	6,989,201	2,802,684
Miscellaneous	86,800	86,800	666,441	579,641
Less 5% anticipated revenues	(11,991,400)	(11,991,400)	-	11,991,400
Total revenues	233,798,639	234,198,639	241,771,911	7,573,272
Expenditures:				
Current:				
Public safety	321,761,795	345,026,643	229,389,213	115,637,430
Economic environment	898,353	898,353	902,129	(3,776)
Capital outlay	9,567,525	9,664,279	6,257,197	3,407,082
Total expenditures	332,227,673	355,589,275	236,548,539	119,040,736
Excess of revenues over (under) expenditures	(98,429,034)	(121,390,636)	5,223,372	126,614,008
Other financing sources (uses):				
Transfers in	9,675,164	9,771,918	6,960,493	(2,811,425)
Transfers out	-	(269,984)	(269,984)	-
Total other financing sources (uses)	9,675,164	9,501,934	6,690,509	(2,811,425)
Net change in fund balances	(88,753,870)	(111,888,702)	11,913,881	123,802,583
Fund balances, October 1, 2009	88,753,870	111,888,702	114,477,550	2,588,848
(Decrease) in reserves, inventory	-	-	(220,066)	(220,066)
Fund balances, September 30, 2010	\$ -	\$ -	\$ 126,171,365	\$ 126,171,365

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, 2010
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 2,009,600	\$ 2,009,600
Fines and forfeitures	-	-	149,288	149,288
Investment income	-	-	205,404	205,404
Miscellaneous	-	-	19,822	19,822
Total revenues	-	-	2,384,114	2,384,114
Expenditures:				
Current:				
General government	22,058,777	23,383,727	23,333,002	50,725
Public safety	457,526,568	450,553,088	440,313,997	10,239,091
Capital outlay	9,637,909	22,366,262	16,209,221	6,157,041
Total expenditures	489,223,254	496,303,077	479,856,220	16,446,857
Excess of revenues over (under) expenditures	(489,223,254)	(496,303,077)	(477,472,106)	18,830,971
Other financing sources (uses):				
Transfers in	489,223,254	496,419,893	493,060,880	(3,359,013)
Transfers out	-	(116,816)	(15,902,984)	(15,786,168)
Total other financing sources (uses)	489,223,254	496,303,077	477,157,896	(19,145,181)
Net change in fund balances	-	-	(314,210)	(314,210)
Fund balances, October 1, 2009	-	-	7,216,594	7,216,594
Fund balances, September 30, 2010	\$ -	\$ -	\$ 6,902,384	\$ 6,902,384

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)
1/1/08	\$47,083,495	\$56,979,616	\$ 9,896,121	82.6%	\$21,454,569	46.1%
1/1/09	44,799,056	68,301,400	23,502,344	65.6%	24,611,065	95.5%
1/1/10	51,323,623	76,463,660	25,140,037	67.1%	25,386,904	99.0%

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)
9/30/07	\$13,077,720	\$18,738,959	\$ 5,661,239	69.8%	\$ 2,725,760	207.7%
9/30/08	14,943,792	20,323,618	5,379,826	73.5%	2,625,962	204.9%
9/30/09	17,132,902	21,670,754	4,537,852	79.1%	2,384,322	190.3%

REQUIRED SUPPLEMENTARY INFORMATION

Palm Beach County Primary Government Healthcare Plans
Schedule of Funding Progress

County	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)
County	10/1/2007	\$ -	\$ 14,638,000	\$ 14,638,000	0.0%	\$294,272,546	5.0%
	10/1/2009	-	14,760,000	14,760,000	0.0%	253,793,723	5.8%
Tax Collector							
	10/1/2007	-	1,533,513	1,533,513	0.0%	9,879,680	15.5%
	10/1/2009	-	1,208,095	1,208,095	0.0%	10,945,091	11.0%
Property Appraiser							
	10/1/2007	-	312,788	312,788	0.0%	14,237,382	2.2%
	10/1/2009	-	348,156	348,156	0.0%	14,286,192	2.4%
Clerk & Comptroller							
	10/1/2007	-	5,445,000	5,445,000	0.0%	35,775,864	15.2%
	10/1/2009	-	5,202,000	5,202,000	0.0%	27,581,451	18.9%
Sheriff							
	1/1/2008	-	169,700,000	169,700,000	0.0%	222,956,243	76.1%
	1/1/2009	-	182,500,000	182,500,000	0.0%	248,925,472	73.3%
	1/1/2010	-	190,600,000	190,600,000	0.0%	269,750,942	70.7%
Solid Waste Authority							
	10/1/2008	-	1,440,000	1,440,000	0.0%	21,254,000	6.8%
Fire Rescue Union							
	10/1/2005	7,109,107	16,319,357	9,210,250	43.6%	102,075,035	9.0%
	10/1/2008	14,544,477	153,500,000	138,955,523	9.5%	108,788,372	127.7% Note 1
	10/1/2009	18,136,850	163,661,000	145,524,150	11.1%	119,353,006	121.9%

Palm Beach County Fire Rescue Taxing District Long Term Disability 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)
10/1/2007	\$ -	\$ 8,953,897	\$ 8,953,897	0.0%	\$116,586,776	7.7%
10/1/2008	-	7,634,577	7,634,577	0.0%	119,792,017	6.4%
10/1/2009	-	10,053,003	10,053,003	0.0%	133,283,977	7.5%

Note 1: The increases in the liability and expense associated with the Fire Rescue Union Healthcare Plan are a result of a change in the interpretation of the County's obligation associated with that plan. The prior valuation assumed the County was liable only for an explicit stipend paid from the retiree fund to eligible retirees. The current valuation assumes the County is ultimately liable for the cost of healthcare benefits provided to eligible retirees less the value of retiree contributions.



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 & Social Development - To account for governmental grant funds and other revenues designated for community & 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.

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.

NONMAJOR GOVERNMENTAL FUNDS

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 re-nourishment 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.

General Government - To account for costs of capital improvements not included in any other category.

Libraries - To account for costs related to the design, acquisition and construction of libraries, including library materials.

Parks & 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 & Drainage - To account for costs related to the design and construction of neighborhood streets, replacing shell rock (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, 2010

	Tourist Development Special Revenue Fund	Law Enforcement Grants Special Revenue Fund	County Transportation Trust Special Revenue Fund	Municipal Service Taxing District Special Revenue Fund
ASSETS				
Cash and cash equivalents	\$ 19,236,623	\$ -	\$ 13,272,180	\$ 3,405,251
Investments	-	-	-	-
Accounts receivable, net	317,847	-	5,180	12,758
Due from other county funds	-	5,596,754	1,337,866	-
Due from other governments	-	336,824	415,138	-
Inventory	-	-	2,761,408	-
Other assets	839,517	-	-	-
Other receivable, noncurrent	3,250,000	-	-	-
Total assets	\$ 23,643,987	\$ 5,933,578	\$ 17,791,772	\$ 3,418,009
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 1,626,490	\$ 17,703	\$ 1,483,579	\$ 352,733
Due to other county funds	235,312	1,350,524	748,244	85,285
Due to other governments	58,811	57,720	15,760	10,085
Due to individuals	-	-	-	-
Deferred and unearned revenue	3,250,000	1,206,259	-	-
Other liabilities	-	-	-	-
Total liabilities	5,170,613	2,632,206	2,247,583	448,103
FUND BALANCE				
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for inventory	-	-	2,761,408	-
Reserved for noncurrent loans receivable	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds	18,473,374	3,301,372	12,782,781	2,969,906
Capital Projects Funds	-	-	-	-
Total fund balance	18,473,374	3,301,372	15,544,189	2,969,906
Total liabilities and fund balance	\$ 23,643,987	\$ 5,933,578	\$ 17,791,772	\$ 3,418,009

Library Taxing District Special Revenue Fund	Community & Social Development Special Revenue Fund	Affordable Housing Trust Fund (SHIP) 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
\$ 12,541,439	\$ 7,600	\$ 8,138,517	\$ -	\$ 9,389,712	\$ 67,411,528	\$ 22,938,456
-	-	-	-	-	-	-
5,188	1,681,874	14,450	-	60,180	17,765	163,601
525,657	6,991,370	27,563	-	-	8,648,636	1,702,250
-	14,363,208	-	-	4,104,086	8,286,971	219,612
-	-	-	-	1,952,934	70,830	-
-	-	-	-	-	5,850	-
-	1,754,406	-	-	-	-	-
\$ 13,072,284	\$ 24,798,458	\$ 8,180,530	\$ -	\$ 15,506,912	\$ 84,441,580	\$ 25,023,919
\$ 1,244,554	\$ 5,357,326	\$ 423,245	\$ -	\$ 3,172,414	\$ 1,600,981	\$ 3,995,105
206,375	9,108,880	25,460	-	331,860	1,327,978	2,193,591
5,292	868,660	1,247	-	38,949	1,235,522	2,502,318
-	753,415	-	-	-	3,775	360,000
-	5,321,956	11,800	-	1,713,623	1,661,915	1,431,275
-	1,027	689	-	-	-	2,067,860
1,456,221	21,411,264	462,441	-	5,256,846	5,830,171	12,550,149
-	-	-	-	-	-	-
-	-	-	-	1,952,934	70,830	-
-	-	-	-	-	-	-
11,616,063	3,387,194	7,718,089	-	8,297,132	78,540,579	12,473,770
-	-	-	-	-	-	-
11,616,063	3,387,194	7,718,089	-	10,250,066	78,611,409	12,473,770
\$ 13,072,284	\$ 24,798,458	\$ 8,180,530	\$ -	\$ 15,506,912	\$ 84,441,580	\$ 25,023,919

PALM BEACH COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

	Tax Collector Special Revenue Fund	Property Appraiser Special Revenue Fund	Supervisor of Elections Special Revenue Fund	Total Special Revenue Funds
ASSETS				
Cash and cash equivalents	\$ 41,505,880	\$ 2,667,219	\$ 3,128,973	\$ 203,643,378
Investments	72,407	55,153	-	127,560
Accounts receivable, net	11,767	-	8,730	2,299,340
Due from other county funds	-	1,715	-	24,831,811
Due from other governments	2	20,148	-	27,745,989
Inventory	-	-	-	4,785,172
Other assets	838,466	44,320	24,056	1,752,209
Other receivable, noncurrent	-	-	-	5,004,406
Total assets	\$ 42,428,522	\$ 2,788,555	\$ 3,161,759	\$ 270,189,865
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 1,104,999	\$ 958,737	\$ 299,733	\$ 21,637,599
Due to other county funds	35,268,103	1,611,100	2,681,103	55,173,815
Due to other governments	5,250,121	218,718	33,083	10,296,286
Due to individuals	-	-	-	1,117,190
Deferred and unearned revenue	805,299	-	147,840	15,549,967
Other liabilities	-	-	-	2,069,576
Total liabilities	42,428,522	2,788,555	3,161,759	105,844,433
FUND BALANCE				
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for inventory	-	-	-	4,785,172
Reserved for noncurrent loans receivable	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds	-	-	-	159,560,260
Capital Projects Funds	-	-	-	-
Total fund balance	-	-	-	164,345,432
Total liabilities and fund balance	\$ 42,428,522	\$ 2,788,555	\$ 3,161,759	\$ 270,189,865

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	General Government Capital Projects
\$ 1,150,293	\$ 26,584,195	\$ 1,243,648	\$ 28,978,136	\$ 84,603,524	\$ 16,196,065	\$ 46,220,174	\$166,772,897
-	-	-	-	-	-	-	-
-	-	-	-	5,803	-	-	63
-	-	-	-	-	448,640	-	1,684,430
-	-	-	-	656	1,370,235	11,741	3,268,879
-	-	-	-	-	-	-	-
-	10,393,941	-	10,393,941	-	-	200	-
-	-	-	-	-	-	-	2,050,000
\$ 1,150,293	\$ 36,978,136	\$ 1,243,648	\$ 39,372,077	\$ 84,609,983	\$ 18,014,940	\$ 46,232,115	\$173,776,269
\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 8,599,349	\$ 934,133	\$ 624,659	\$ 9,510,938
-	-	-	-	36,605	-	-	-
-	-	-	-	-	180,000	-	23,551
-	-	-	-	-	-	-	-
-	10,393,941	-	10,393,941	-	622,643	-	-
-	-	-	-	-	10,000	-	-
-	10,394,941	-	10,394,941	8,635,954	1,746,776	624,659	9,534,489
1,150,293	26,583,195	1,243,648	28,977,136	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,050,000
-	-	-	-	-	-	-	-
-	-	-	-	75,974,029	16,268,164	45,607,456	162,191,780
1,150,293	26,583,195	1,243,648	28,977,136	75,974,029	16,268,164	45,607,456	164,241,780
\$ 1,150,293	\$ 36,978,136	\$ 1,243,648	\$ 39,372,077	\$ 84,609,983	\$ 18,014,940	\$ 46,232,115	\$173,776,269

PALM BEACH COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

	Libraries Capital Projects	Parks & Recreation Capital Projects	Street & Drainage Capital Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 52,548,477	\$ 50,380,649	\$ 10,604,050	\$ 427,325,836	\$ 659,947,350
Investments	-	-	-	-	127,560
Accounts receivable, net	51	638	6,307,157	6,313,712	8,613,052
Due from other county funds	-	-	3,268	2,136,338	26,968,149
Due from other governments	5,062	31,827	-	4,688,400	32,434,389
Inventory	-	-	-	-	4,785,172
Other assets	-	-	-	200	1,752,409
Other receivable, noncurrent	-	-	-	2,050,000	17,448,347
Total assets	\$ 52,553,590	\$ 50,413,114	\$ 16,914,475	\$ 442,514,486	\$ 752,076,428
LIABILITIES					
Vouchers payable and accrued liabilities	\$ 1,380,817	\$ 2,467,383	\$ 102,222	\$ 23,619,501	\$ 45,258,100
Due to other county funds	-	36,294	-	72,899	55,246,714
Due to other governments	-	2,229,687	41,214	2,474,452	12,770,738
Due to individuals	-	-	-	-	1,117,190
Deferred and unearned revenue	-	-	6,307,157	6,929,800	32,873,708
Other liabilities	-	-	2,087	12,087	2,081,663
Total liabilities	1,380,817	4,733,364	6,452,680	33,108,739	149,348,113
FUND BALANCE					
Fund balances:					
Reserved for debt service	-	-	-	-	28,977,136
Reserved for inventory	-	-	-	-	4,785,172
Reserved for noncurrent loans receivable	-	-	-	2,050,000	2,050,000
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	159,560,260
Capital Projects Funds	51,172,773	45,679,750	10,461,795	407,355,747	407,355,747
Total fund balance	51,172,773	45,679,750	10,461,795	409,405,747	602,728,315
Total liabilities and fund balance	\$ 52,553,590	\$ 50,413,114	\$ 16,914,475	\$ 442,514,486	\$ 752,076,428



PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2010

	Tourist Development Special Revenue Fund	Law Enforcement Grants Special Revenue Fund	County Transportation Trust Special Revenue Fund	Municipal Service Taxing District Special Revenue Fund
Revenues:				
Taxes (net of discount)	\$ 23,219,185	\$ -	\$ 3,387	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	12,660	10,506,377
Intergovernmental	250,000	5,065,997	5,602,836	-
Charges for services	3,405,151	-	1,489,450	654,661
Less - excess fees paid out	-	-	-	-
Fines and forfeitures	-	532,231	-	674
Investment income	697,161	167,516	540,710	83,473
Miscellaneous	58	102,855	1,390,708	154
Total revenues	27,571,555	5,868,599	9,039,751	11,245,339
Expenditures:				
Current:				
General government	-	70,268	-	-
Public safety	-	384,646	-	9,325,158
Physical environment	-	-	-	-
Transportation	-	-	38,516,589	-
Economic environment	18,322,020	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	1,304,907	5,195
Debt service	-	-	-	-
Total expenditures	18,322,020	454,914	39,821,496	9,330,353
Excess of revenues over (under) expenditures	9,249,535	5,413,685	(30,781,745)	1,914,986
Other financing sources (uses):				
Transfers in	-	581,999	31,852,062	-
Transfers out	(9,264,346)	(4,862,886)	(114,452)	(18,605)
Issuance of long-term debt	-	-	-	-
Issuance of refunding debt	-	-	-	-
Premium on refunding debt	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
Total other financing sources (uses)	(9,264,346)	(4,280,887)	31,737,610	(18,605)
Net change in fund balances	(14,811)	1,132,798	955,865	1,896,381
Fund balances, October 1, 2009	18,488,185	2,168,574	15,043,983	1,073,525
Increase (decrease) in reserves, inventory	-	-	(455,659)	-
Fund balances, September 30, 2010	\$ 18,473,374	\$ 3,301,372	\$ 15,544,189	\$ 2,969,906

Library Taxing District Special Revenue Fund	Community & Social Development Special Revenue Fund	Affordable Housing Trust Fund (SHIP) 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
\$ 36,004,916	\$ -	\$ -	\$ -	\$ 12,003,794	\$ 35,128	\$ -
-	-	-	-	-	3,699,975	-
23,379	-	-	-	14,190	5,636,202	-
891,125	76,652,583	323,404	-	19,082,946	72,659,869	34,491,918
7,336	499,361	-	-	9,818,869	20,010,442	8,019,084
-	-	-	-	-	-	-
546,424	-	-	-	-	2,520,371	1,721,080
795,265	467,759	410,839	-	284,488	3,271,004	12,776
112,888	618,984	68,538	-	1,088,739	1,339,510	-
38,381,333	78,238,687	802,781	-	42,293,026	109,172,501	44,244,858
-	-	-	-	-	10,201,828	57,156,633
-	1,608,023	-	-	-	9,494,944	-
-	-	-	-	-	8,515,150	-
-	1,086	-	-	72,553,798	-	-
-	31,844,211	2,946,892	-	-	1,004,117	-
-	53,066,939	-	-	-	812,245	-
36,508,571	-	-	-	-	4,549,865	-
3,445,090	524,590	-	-	5,012,657	1,336,390	1,070,081
-	275,140	-	-	-	-	-
39,953,661	87,319,989	2,946,892	-	77,566,455	35,914,539	58,226,714
(1,572,328)	(9,081,302)	(2,144,111)	-	(35,273,429)	73,257,962	(13,981,856)
474,068	12,932,183	86,789	-	36,395,872	14,469,525	14,319,034
(215,396)	(5,386,055)	-	(86,789)	(129,272)	(82,095,195)	(1,415,897)
-	1,426,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
258,672	8,972,128	86,789	(86,789)	36,266,600	(67,625,670)	12,903,137
(1,313,656)	(109,174)	(2,057,322)	(86,789)	993,171	5,632,292	(1,078,719)
12,929,719	3,496,368	9,775,411	86,789	9,150,423	72,963,700	13,552,489
-	-	-	-	106,472	15,417	-
\$ 11,616,063	\$ 3,387,194	\$ 7,718,089	\$ -	\$ 10,250,066	\$ 78,611,409	\$ 12,473,770

PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2010

	Tax Collector Special Revenue Fund	Property Appraiser Special Revenue Fund	Supervisor of Elections Special Revenue Fund	Total Special Revenue Funds
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ -	\$ 71,266,410
Special assessments	-	-	-	3,699,975
Licenses and permits	-	-	-	16,192,808
Intergovernmental	-	-	173,040	215,193,718
Charges for services	61,890,688	23,380,928	311,089	129,487,059
Less - excess fees paid out	(40,340,413)	(1,747,652)	-	(42,088,065)
Fines and forfeitures	-	-	-	5,320,780
Investment income	89,632	9,041	9,674	6,839,338
Miscellaneous	-	-	534,583	5,257,017
Total revenues	21,639,907	21,642,317	1,028,386	411,169,040
Expenditures:				
Current:				
General government	20,368,860	21,594,584	7,311,055	116,703,228
Public safety	-	-	-	20,812,771
Physical environment	-	-	-	8,515,150
Transportation	-	-	-	111,071,473
Economic environment	-	-	-	54,117,240
Human services	-	-	-	53,879,184
Culture and recreation	-	-	-	41,058,436
Capital outlay	1,271,047	44,295	102,921	14,117,173
Debt service	-	3,438	-	278,578
Total expenditures	21,639,907	21,642,317	7,413,976	420,553,233
Excess of revenues over (under) expenditures	-	-	(6,385,590)	(9,384,193)
Other financing sources (uses):				
Transfers in	-	-	9,028,270	120,139,802
Transfers out	-	-	(2,642,680)	(106,231,573)
Issuance of long-term debt	-	-	-	1,426,000
Issuance of refunding debt	-	-	-	-
Premium on refunding debt	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
Total other financing sources (uses)	-	-	6,385,590	15,334,229
Net change in fund balances	-	-	-	5,950,036
Fund balances, October 1, 2009	-	-	-	158,729,166
Increase (decrease) in reserves, inventory	-	-	-	(333,770)
Fund balances, September 30, 2010	\$ -	\$ -	\$ -	\$ 164,345,432

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	General Government Capital Projects
\$ 33,407,367	\$ -	\$ -	\$ 33,407,367	\$ -	\$ -	\$ -	\$ 3,866
-	-	-	-	164,106	-	687,973	363,943
-	-	-	-	-	-	-	-
226	-	-	226	-	7,104,510	-	9,632,909
-	-	-	-	310	65,975	380	662,929
-	-	-	-	-	-	-	-
-	-	-	-	-	14,710	-	1,156,202
532,221	1,081,189	20,875	1,634,285	5,462,308	891,959	2,073,141	8,456,539
35,620	490,796	-	526,416	42,280	25,000	-	1,497,529
33,975,434	1,571,985	20,875	35,568,294	5,669,004	8,102,154	2,761,494	21,773,917
6,026	-	-	6,026	39,955	-	-	44,981,285
-	-	-	-	2,179	-	65,344	18,830
-	-	-	-	-	17,661,309	-	3,193,811
-	-	-	-	-	-	-	264,883
-	-	-	-	-	-	-	545,619
-	-	-	-	-	-	-	-
-	-	-	-	67,726,182	5,495,937	3,724,605	17,171,776
34,840,598	101,263,570	926,834	137,031,002	-	-	-	1,313,694
34,846,624	101,263,570	926,834	137,037,028	67,768,316	23,157,246	3,789,949	67,489,898
(871,190)	(99,691,585)	(905,959)	(101,468,734)	(62,099,312)	(15,055,092)	(1,028,455)	(45,715,981)
-	99,276,915	13,147,859	112,424,774	81	6,132,108	-	13,364,737
(63,515)	(11,720,805)	-	(11,784,320)	(12,758,126)	(36,914)	-	(19,749,539)
-	-	-	-	-	-	-	-
19,530,000	11,598,107	-	31,128,107	-	-	-	-
1,114,948	-	-	1,114,948	-	-	-	-
(20,454,113)	-	(11,543,892)	(31,998,005)	-	-	-	-
127,320	99,154,217	1,603,967	100,885,504	(12,758,045)	6,095,194	-	(6,384,802)
(743,870)	(537,368)	698,008	(583,230)	(74,857,357)	(8,959,898)	(1,028,455)	(52,100,783)
1,894,163	27,120,563	545,640	29,560,366	150,831,386	25,228,062	46,635,911	216,342,563
-	-	-	-	-	-	-	-
\$ 1,150,293	\$ 26,583,195	\$ 1,243,648	\$ 28,977,136	\$ 75,974,029	\$ 16,268,164	\$ 45,607,456	\$ 164,241,780

PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2010

	Libraries Capital Projects	Parks & Recreation Capital Projects	Street & Drainage Capital Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:					
Taxes (net of discount)	\$ 39	\$ -	\$ -	\$ 3,905	\$ 104,677,682
Special assessments	190,774	1,617,620	752,673	3,777,089	7,477,064
Licenses and permits	-	-	-	-	16,192,808
Intergovernmental	350,000	381,204	-	17,468,623	232,662,567
Charges for services	-	317,878	-	1,047,472	130,534,531
Less - excess fees paid out	-	-	-	-	(42,088,065)
Fines and forfeitures	-	-	-	1,170,912	6,491,692
Investment income	2,548,279	2,588,634	720,447	22,741,307	31,214,930
Miscellaneous	298,654	95,448	-	1,958,911	7,742,344
Total revenues	3,387,746	5,000,784	1,473,120	48,168,219	494,905,553
Expenditures:					
Current:					
General government	-	-	-	45,021,240	161,730,494
Public safety	-	-	-	86,353	20,899,124
Physical environment	-	121,603	-	20,976,723	29,491,873
Transportation	-	-	187,698	452,581	111,524,054
Economic environment	-	5,147	-	550,766	54,668,006
Human services	-	-	-	-	53,879,184
Culture and recreation	1,718,951	8,222,416	-	9,941,367	50,999,803
Capital outlay	12,331,096	13,625,393	994,671	121,069,660	135,186,833
Debt service	-	1,489,209	-	2,802,903	140,112,483
Total expenditures	14,050,047	23,463,768	1,182,369	200,901,593	758,491,854
Excess of revenues over (under) expenditures	(10,662,301)	(18,462,984)	290,751	(152,733,374)	(263,586,301)
Other financing sources (uses):					
Transfers in	205,000	-	-	19,701,926	252,266,502
Transfers out	-	(646,265)	-	(33,190,844)	(151,206,737)
Issuance of long-term debt	-	-	-	-	1,426,000
Issuance of refunding debt	-	-	-	-	31,128,107
Premium on refunding debt	-	-	-	-	1,114,948
Payment to escrow agent for refunding	-	-	-	-	(31,998,005)
Total other financing sources (uses)	205,000	(646,265)	-	(13,488,918)	102,730,815
Net change in fund balances	(10,457,301)	(19,109,249)	290,751	(166,222,292)	(160,855,486)
Fund balances, October 1, 2009	61,630,074	64,788,999	10,171,044	575,628,039	763,917,571
Increase (decrease) in reserves, inventory	-	-	-	-	(333,770)
Fund balances, September 30, 2010	\$ 51,172,773	\$ 45,679,750	\$10,461,795	\$409,405,747	\$ 602,728,315

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 21,910,965	\$ 21,910,965	\$ 23,219,185	\$ 1,308,220
Intergovernmental	250,000	250,000	250,000	-
Charges for services	3,159,671	3,159,671	3,405,151	245,480
Investment income	490,037	490,037	697,161	207,124
Miscellaneous	-	-	58	58
Less 5% anticipated revenues	(1,290,535)	(1,290,535)	-	1,290,535
Total revenues	24,520,138	24,520,138	27,571,555	3,051,417
Expenditures:				
Current:				
Economic environment	30,140,023	34,066,129	18,322,020	15,744,109
Total expenditures	30,140,023	34,066,129	18,322,020	15,744,109
Excess of revenues over (under) expenditures	(5,619,885)	(9,545,991)	9,249,535	18,795,526
Other financing sources (uses):				
Transfers out	(9,030,845)	(9,030,845)	(9,264,346)	(233,501)
Total other financing sources (uses)	(9,030,845)	(9,030,845)	(9,264,346)	(233,501)
Net change in fund balances	(14,650,730)	(18,576,836)	(14,811)	18,562,025
Fund balances, October 1, 2009	14,650,730	18,576,836	18,488,185	(88,651)
Fund balances, September 30, 2010	\$ -	\$ -	\$ 18,473,374	\$ 18,473,374

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 893,402	\$ 8,881,324	\$ 5,065,997	\$ (3,815,327)
Fines and forfeitures	-	-	532,231	532,231
Investment income	110,000	110,000	167,516	57,516
Miscellaneous	6,136	296,942	102,855	(194,087)
Total revenues	1,009,538	9,288,266	5,868,599	(3,419,667)
Expenditures:				
Current:				
General government	-	359,317	70,268	289,049
Public safety	2,590,709	3,390,407	384,646	3,005,761
Total expenditures	2,590,709	3,749,724	454,914	3,294,810
Excess of revenues over (under) expenditures	(1,581,171)	5,538,542	5,413,685	(124,857)
Other financing sources (uses):				
Transfers in	659,628	1,031,230	581,999	(449,231)
Transfers out	(1,309,328)	(9,440,532)	(4,862,886)	4,577,646
Total other financing sources (uses)	(649,700)	(8,409,302)	(4,280,887)	4,128,415
Net change in fund balances	(2,230,871)	(2,870,760)	1,132,798	4,003,558
Fund balances, October 1, 2009	2,230,871	2,870,760	2,168,574	(702,186)
Fund balances, September 30, 2010	\$ -	\$ -	\$ 3,301,372	\$ 3,301,372

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 5,000	\$ 5,000	\$ 3,387	\$ (1,613)
Special assessments	2,550,000	2,550,000	-	(2,550,000)
Licenses and permits	6,000	6,000	12,660	6,660
Intergovernmental	8,895,804	9,273,848	5,602,836	(3,671,012)
Charges for services	779,000	779,000	1,489,450	710,450
Investment income	550,000	550,000	540,710	(9,290)
Miscellaneous	920,965	920,965	1,390,708	469,743
Less 5% anticipated revenues	(477,194)	(477,194)	-	477,194
Total revenues	13,229,575	13,607,619	9,039,751	(4,567,868)
Expenditures:				
Current:				
Transportation	47,811,215	53,389,702	38,516,589	14,873,113
Economic environment	75,504	-	-	-
Capital outlay	4,073,690	3,782,443	1,304,907	2,477,536
Total expenditures	51,960,409	57,172,145	39,821,496	17,350,649
Excess of revenues over (under) expenditures	(38,730,834)	(43,564,526)	(30,781,745)	12,782,781
Other financing sources (uses):				
Transfers in	32,230,315	31,852,062	31,852,062	-
Transfers out	(64,000)	(114,452)	(114,452)	-
Total other financing sources (uses)	32,166,315	31,737,610	31,737,610	-
Net change in fund balances	(6,564,519)	(11,826,916)	955,865	12,782,781
Fund balances, October 1, 2009	6,564,519	11,826,916	15,043,983	3,217,067
(Decrease) in reserves, inventory	-	-	(455,659)	(455,659)
Fund balances, September 30, 2010	\$ -	\$ -	\$ 15,544,189	\$ 15,544,189

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 9,215,700	\$ 9,707,305	\$ 10,506,377	\$ 799,072
Charges for services	604,000	604,000	654,661	50,661
Fines and forfeitures	40,000	40,000	674	(39,326)
Investment income	151,200	151,200	83,473	(67,727)
Miscellaneous	100	100	154	54
Less 5% anticipated revenues	(500,550)	(500,550)	-	500,550
Total revenues	9,510,450	10,002,055	11,245,339	1,243,284
Expenditures:				
Current:				
Public safety	9,550,580	11,031,763	9,325,158	1,706,605
Capital outlay	25,000	25,000	5,195	19,805
Total expenditures	9,575,580	11,056,763	9,330,353	1,726,410
Excess of revenues over (under) expenditures	(65,130)	(1,054,708)	1,914,986	2,969,694
Other financing sources (uses):				
Transfers out	-	(18,817)	(18,605)	212
Total other financing sources (uses)	-	(18,817)	(18,605)	212
Net change in fund balances	(65,130)	(1,073,525)	1,896,381	2,969,906
Fund balances, October 1, 2009	65,130	1,073,525	1,073,525	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ 2,969,906	\$ 2,969,906

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 37,527,334	\$ 37,527,334	\$ 36,004,916	\$ (1,522,418)
Licenses and permits	15,960	15,960	23,379	7,419
Intergovernmental	942,876	889,077	891,125	2,048
Charges for services	75,000	75,000	7,336	(67,664)
Fines and forfeitures	420,000	420,000	546,424	126,424
Investment income	665,000	665,000	795,265	130,265
Miscellaneous	245,000	245,000	112,888	(132,112)
Less 5% anticipated revenues	(2,018,262)	(2,018,262)	-	2,018,262
Total revenues	37,872,908	37,819,109	38,381,333	562,224
Expenditures:				
Current:				
Culture and recreation	42,031,252	45,213,940	36,508,571	8,705,369
Capital outlay	5,793,560	5,793,560	3,445,090	2,348,470
Total expenditures	47,824,812	51,007,500	39,953,661	11,053,839
Excess of revenues over (under) expenditures	(9,951,904)	(13,188,391)	(1,572,328)	11,616,063
Other financing sources (uses):				
Transfers in	474,068	474,068	474,068	-
Transfers out	(205,000)	(215,396)	(215,396)	-
Total other financing sources (uses)	269,068	258,672	258,672	-
Net change in fund balances	(9,682,836)	(12,929,719)	(1,313,656)	11,616,063
Fund balances, October 1, 2009	9,682,836	12,929,719	12,929,719	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ 11,616,063	\$ 11,616,063

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 109,112,980	\$ 207,276,287	\$ 76,652,583	\$(130,623,704)
Charges for services	654,980	506,407	499,361	(7,046)
Investment income	244,250	258,659	467,759	209,100
Miscellaneous	398,998	539,771	618,984	79,213
Less 5% anticipated revenues	(2,500)	(2,500)	-	2,500
Total revenues	110,408,708	208,578,624	78,238,687	(130,339,937)
Expenditures:				
Current:				
Public safety	1,398,728	3,265,724	1,608,023	1,657,701
Transportation	-	200,000	1,086	198,914
Economic environment	91,532,436	164,760,297	31,844,211	132,916,086
Human services	53,026,693	63,752,578	53,066,939	10,685,639
Capital outlay	219,586	946,152	524,590	421,562
Debt service	146,844	311,144	275,140	36,004
Total expenditures	146,324,287	233,235,895	87,319,989	145,915,906
Excess of revenues over (under) expenditures	(35,915,579)	(24,657,271)	(9,081,302)	15,575,969
Other financing sources (uses):				
Transfers in	14,524,392	14,598,416	12,932,183	(1,666,233)
Transfers out	(175,000)	(13,049,251)	(5,386,055)	7,663,196
Issuance of long-term debt	15,741,000	17,565,000	1,426,000	(16,139,000)
Total other financing sources (uses)	30,090,392	19,114,165	8,972,128	(10,142,037)
Net change in fund balances	(5,825,187)	(5,543,106)	(109,174)	5,433,932
Fund balances, October 1, 2009	5,825,187	5,543,106	3,496,368	(2,046,738)
Fund balances, September 30, 2010	\$ -	\$ -	\$ 3,387,194	\$ 3,387,194

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 799,498	\$ 6,722,723	\$ 323,404	\$ (6,399,319)
Investment income	510,000	510,000	410,839	(99,161)
Miscellaneous	105,000	105,000	68,538	(36,462)
Total revenues	1,414,498	7,337,723	802,781	(6,534,942)
Expenditures:				
Current:				
Economic environment	10,182,735	17,183,923	2,946,892	14,237,031
Capital outlay	1,000	16,000	-	16,000
Total expenditures	10,183,735	17,199,923	2,946,892	14,253,031
Excess of revenues over (under) expenditures	(8,769,237)	(9,862,200)	(2,144,111)	7,718,089
Other financing sources (uses):				
Transfers in	-	86,789	86,789	-
Total other financing sources (uses)	-	86,789	86,789	-
Net change in fund balances	(8,769,237)	(9,775,411)	(2,057,322)	7,718,089
Fund balances, October 1, 2009	8,769,237	9,775,411	9,775,411	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ 7,718,089	\$ 7,718,089

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Other financing sources (uses):				
Transfers out	\$ -	\$ (86,789)	\$ (86,789)	\$ -
Total other financing sources (uses)	-	(86,789)	(86,789)	-
Net change in fund balances	-	(86,789)	(86,789)	-
Fund balances, October 1, 2009	-	86,789	86,789	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ -	\$ -

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 11,691,000	\$ 11,691,000	\$ 12,003,794	\$ 312,794
Licenses and permits	-	-	14,190	14,190
Intergovernmental	57,660,339	73,607,402	19,082,946	(54,524,456)
Charges for services	12,003,906	12,003,906	9,818,869	(2,185,037)
Investment income	180,000	180,000	284,488	104,488
Miscellaneous	1,249,950	1,249,950	1,088,739	(161,211)
Less 5% anticipated revenues	(1,232,394)	(1,232,394)	-	1,232,394
Total revenues	81,552,801	97,499,864	42,293,026	(55,206,838)
Expenditures:				
Current:				
Transportation	80,010,087	93,718,131	72,553,798	21,164,333
Capital outlay	35,257,424	47,452,294	5,012,657	42,439,637
Total expenditures	115,267,511	141,170,425	77,566,455	63,603,970
Excess of revenues over (under) expenditures	(33,714,710)	(43,670,561)	(35,273,429)	8,397,132
Other financing sources (uses):				
Transfers in	35,366,086	37,173,346	36,395,872	(777,474)
Transfers out	(4,191,848)	(806,746)	(129,272)	677,474
Total other financing sources (uses)	31,174,238	36,366,600	36,266,600	(100,000)
Net change in fund balances	(2,540,472)	(7,303,961)	993,171	8,297,132
Fund balances, October 1, 2009	2,540,472	7,303,961	9,150,423	1,846,462
Increase in reserves, inventory	-	-	106,472	106,472
Fund balances, September 30, 2010	\$ -	\$ -	\$ 10,250,066	\$ 10,250,066

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 37,800	\$ 37,800	\$ 35,128	\$ (2,672)
Special assessments	1,270,050	2,553,677	3,699,975	1,146,298
Licenses and permits	5,965,000	5,965,000	5,636,202	(328,798)
Intergovernmental	72,359,981	73,459,649	72,659,869	(799,780)
Charges for services	13,722,959	15,869,020	20,010,442	4,141,422
Fines and forfeitures	2,070,548	2,070,548	2,520,371	449,823
Investment income	3,321,734	3,321,734	3,271,004	(50,730)
Miscellaneous	1,130,135	1,140,135	1,339,510	199,375
Less 5% anticipated revenues	(4,122,416)	(4,122,416)	-	4,122,416
Total revenues	95,755,791	100,295,147	109,172,501	8,877,354
Expenditures:				
Current:				
General government	6,463,436	11,151,238	10,201,828	949,410
Public safety	12,722,582	14,553,955	9,494,944	5,059,011
Physical environment	47,991,261	56,053,224	8,515,150	47,538,074
Transportation	570,000	570,000	-	570,000
Economic environment	1,865,055	2,031,004	1,004,117	1,026,887
Human services	1,313,832	1,304,679	812,245	492,434
Culture and recreation	5,359,606	5,306,304	4,549,865	756,439
Capital outlay	11,689,308	11,228,198	1,336,390	9,891,808
Total expenditures	87,975,080	102,198,602	35,914,539	66,284,063
Excess of revenues over (under) expenditures	7,780,711	(1,903,455)	73,257,962	75,161,417
Other financing sources (uses):				
Transfers in	17,522,607	15,566,909	14,469,525	(1,097,384)
Transfers out	(82,688,905)	(86,571,742)	(82,095,195)	4,476,547
Total other financing sources (uses)	(65,166,298)	(71,004,833)	(67,625,670)	3,379,163
Net change in fund balances	(57,385,587)	(72,908,288)	5,632,292	78,540,580
Fund balances, October 1, 2009	57,385,587	72,908,288	72,963,700	55,412
Increase in reserves, inventory	-	-	15,417	15,417
Fund balances, September 30, 2010	\$ -	\$ -	\$ 78,611,409	\$ 78,611,409

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 34,241,001	\$ 34,341,803	\$ 34,491,918	\$ 150,115
Charges for services	9,202,544	7,702,544	8,019,084	316,540
Fines and forfeitures	-	1,600,001	1,721,080	121,079
Investment income	115,540	115,540	12,776	(102,764)
Total revenues	43,559,085	43,759,888	44,244,858	484,970
Expenditures:				
Current:				
General government	62,009,032	60,068,990	57,156,633	2,912,357
Capital outlay	75,000	1,100,445	1,070,081	30,364
Total expenditures	62,084,032	61,169,435	58,226,714	2,942,721
Excess of revenues over (under) expenditures	(18,524,947)	(17,409,547)	(13,981,856)	3,427,691
Other financing sources (uses):				
Transfers in	14,428,606	14,428,606	14,319,034	(109,572)
Transfers out	(2,000,000)	(500,000)	(1,415,897)	(915,897)
Total other financing sources (uses)	12,428,606	13,928,606	12,903,137	(1,025,469)
Net change in fund balances	(6,096,341)	(3,480,941)	(1,078,719)	2,402,222
Fund balances, October 1, 2009	8,884,882	13,552,489	13,552,489	-
Fund balances, September 30, 2010	\$ 2,788,541	\$ 10,071,548	\$ 12,473,770	\$ 2,402,222

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 62,054,360	\$ 62,054,360	\$ 61,890,688	\$ (163,672)
Less - excess fees paid out	(37,776,016)	(37,776,016)	(40,340,413)	(2,564,397)
Investment income	120,000	120,000	89,632	(30,368)
Total revenues	24,398,344	24,398,344	21,639,907	(2,758,437)
Expenditures:				
Current:				
General government	20,712,138	21,453,861	20,368,860	1,085,001
Capital outlay	3,686,206	2,944,483	1,271,047	1,673,436
Total expenditures	24,398,344	24,398,344	21,639,907	2,758,437
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2009	-	-	-	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ -	\$ -

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 23,306,461	\$ 23,306,461	\$ 23,380,928	\$ 74,467
Less - excess fees paid out	-	-	(1,747,652)	(1,747,652)
Investment income	-	-	9,041	9,041
Total revenues	23,306,461	23,306,461	21,642,317	(1,664,144)
Expenditures:				
Current:				
General government	23,264,623	23,264,623	21,594,584	1,670,039
Capital outlay	41,838	41,838	44,295	(2,457)
Debt service	-	-	3,438	(3,438)
Total expenditures	23,306,461	23,306,461	21,642,317	1,664,144
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2009	-	-	-	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ -	\$ -

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 173,040	\$ 173,040
Charges for services	-	-	311,089	311,089
Investment income	-	-	9,674	9,674
Miscellaneous	-	-	534,583	534,583
Total revenues	-	-	1,028,386	1,028,386
Expenditures:				
Current:				
General government	8,872,558	8,872,558	7,311,055	1,561,503
Capital outlay	155,712	155,712	102,921	52,791
Total expenditures	9,028,270	9,028,270	7,413,976	1,614,294
Excess of revenues over (under) expenditures	(9,028,270)	(9,028,270)	(6,385,590)	2,642,680
Other financing sources (uses):				
Transfers in	9,028,270	9,028,270	9,028,270	-
Transfers out	-	-	(2,642,680)	(2,642,680)
Total other financing sources (uses)	9,028,270	9,028,270	6,385,590	(2,642,680)
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2009	-	-	-	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ -	\$ -

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 34,864,452	\$ 34,864,452	\$ 33,407,367	\$ (1,457,085)
Intergovernmental	-	-	226	226
Investment income	489,000	489,000	532,221	43,221
Miscellaneous	-	-	35,620	35,620
Less 5% anticipated revenues	(1,810,132)	(1,810,132)	-	1,810,132
Total revenues	33,543,320	33,543,320	33,975,434	432,114
Expenditures:				
Current:				
General government	-	-	6,026	(6,026)
Debt service	34,962,732	35,568,990	34,840,598	728,392
Total expenditures	34,962,732	35,568,990	34,846,624	722,366
Excess of revenues over (under) expenditures	(1,419,412)	(2,025,670)	(871,190)	1,154,480
Other financing sources (uses):				
Transfers out	(27,650)	(59,328)	(63,515)	(4,187)
Issuance of refunding debt	-	19,530,000	19,530,000	-
Premium (discount) refunding debt	-	1,114,948	1,114,948	-
Payment to escrow agent for refunding	-	(20,454,113)	(20,454,113)	-
Total other financing sources (uses)	(27,650)	131,507	127,320	(4,187)
Net change in fund balances	(1,447,062)	(1,894,163)	(743,870)	1,150,293
Fund balances, October 1, 2009	1,447,062	1,894,163	1,894,163	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ 1,150,293	\$ 1,150,293

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ 550,000	\$ 550,000	\$ 1,081,189	\$ 531,189
Miscellaneous	110,057	490,795	490,796	1
Total revenues	660,057	1,040,795	1,571,985	531,190
Expenditures:				
Debt service	126,075,525	127,305,717	101,263,570	26,042,147
Total expenditures	126,075,525	127,305,717	101,263,570	26,042,147
Excess of revenues over (under) expenditures	(125,415,468)	(126,264,922)	(99,691,585)	26,573,337
Other financing sources (uses):				
Transfers in	100,384,666	99,267,058	99,276,915	9,857
Transfers out	-	(11,720,805)	(11,720,805)	-
Issuance of refunding debt	-	11,598,107	11,598,107	-
Total other financing sources (uses)	100,384,666	99,144,360	99,154,217	9,857
Net change in fund balances	(25,030,802)	(27,120,562)	(537,368)	26,583,194
Fund balances, October 1, 2009	25,030,802	27,120,562	27,120,563	1
Fund balances, September 30, 2010	\$ -	\$ -	\$ 26,583,195	\$ 26,583,195

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 20,875	\$ 20,875
Total revenues	-	-	20,875	20,875
Expenditures:				
Debt service	2,432,635	13,976,527	926,834	13,049,693
Total expenditures	2,432,635	13,976,527	926,834	13,049,693
Excess of revenues over (under) expenditures	(2,432,635)	(13,976,527)	(905,959)	13,070,568
Other financing sources (uses):				
Transfers in	2,224,352	13,430,887	13,147,859	(283,028)
Payment to escrow agent for refunding	-	-	(11,543,892)	(11,543,892)
Total other financing sources (uses)	2,224,352	13,430,887	1,603,967	(11,826,920)
Net change in fund balances	(208,283)	(545,640)	698,008	1,243,648
Fund balances, October 1, 2009	208,283	545,640	545,640	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ 1,243,648	\$ 1,243,648

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 40,000	\$ 40,000	\$ 164,106	\$ 124,106
Charges for services	-	-	310	310
Investment income	4,067,684	4,067,684	5,462,308	1,394,624
Miscellaneous	-	-	42,280	42,280
Less 5% anticipated revenues	(130,384)	(130,384)	-	130,384
Total revenues	3,977,300	3,977,300	5,669,004	1,691,704
Expenditures:				
Current:				
General government	-	29,883	39,955	(10,072)
Public safety	2,178	2,179	2,179	-
Capital outlay	131,371,497	120,470,764	67,726,182	52,744,582
Debt service	14,714	14,714	-	14,714
Total expenditures	131,388,389	120,517,540	67,768,316	52,749,224
Excess of revenues over (under) expenditures	(127,411,089)	(116,540,240)	(62,099,312)	54,440,928
Other financing sources (uses):				
Transfers in	-	77	81	4
Transfers out	(34,291,357)	(34,291,223)	(12,758,126)	21,533,097
Total other financing sources (uses)	(34,291,357)	(34,291,146)	(12,758,045)	21,533,101
Net change in fund balances	(161,702,446)	(150,831,386)	(74,857,357)	75,974,029
Fund balances, October 1, 2009	161,702,446	150,831,386	150,831,386	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ 75,974,029	\$ 75,974,029

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 40,088,456	\$ 44,597,521	\$ 7,104,510	\$ (37,493,011)
Charges for services	625,002	65,975	65,975	-
Fines and forfeitures	17,000	17,000	14,710	(2,290)
Investment income	894,680	901,774	891,959	(9,815)
Miscellaneous	84,375	84,375	25,000	(59,375)
Less 5% anticipated revenues	(46,030)	(46,030)	-	46,030
Total revenues	41,663,483	45,620,615	8,102,154	(37,518,461)
Expenditures:				
Current:				
General government	2,257	2,286	-	2,286
Physical environment	51,522,952	53,600,204	17,661,309	35,938,895
Capital outlay	21,932,834	24,720,469	5,495,937	19,224,532
Total expenditures	73,458,043	78,322,959	23,157,246	55,165,713
Excess of revenues over (under) expenditures	(31,794,560)	(32,702,344)	(15,055,092)	17,647,252
Other financing sources (uses):				
Transfers in	4,518,266	7,570,571	6,132,108	(1,438,463)
Transfers out	(84,375)	(96,289)	(36,914)	59,375
Total other financing sources (uses)	4,433,891	7,474,282	6,095,194	(1,379,088)
Net change in fund balances	(27,360,669)	(25,228,062)	(8,959,898)	16,268,164
Fund balances, October 1, 2009	27,360,669	25,228,062	25,228,062	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ 16,268,164	\$ 16,268,164

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 300,000	\$ 300,000	\$ 687,973	\$ 387,973
Charges for services	-	-	380	380
Investment income	1,900,000	1,900,000	2,073,141	173,141
Less 5% anticipated revenues	(110,000)	(110,000)	-	110,000
Total revenues	2,090,000	2,090,000	2,761,494	671,494
Expenditures:				
Current:				
Public safety	2,420,739	1,407,264	65,344	1,341,920
Capital outlay	50,320,525	47,318,646	3,724,605	43,594,041
Total expenditures	52,741,264	48,725,910	3,789,949	44,935,961
Excess of revenues over (under) expenditures	(50,651,264)	(46,635,910)	(1,028,455)	45,607,455
Net change in fund balances	(50,651,264)	(46,635,910)	(1,028,455)	45,607,455
Fund balances, October 1, 2009	50,651,264	46,635,910	46,635,911	1
Fund balances, September 30, 2010	\$ -	\$ -	\$ 45,607,456	\$ 45,607,456

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Government Capital Projects Fund
For the fiscal year ended September 30, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ 3,866	\$ 3,866
Special assessments	486,769	486,769	363,943	(122,826)
Intergovernmental	24,892,643	29,608,648	9,632,909	(19,975,739)
Charges for services	3,664,704	1,830,373	662,929	(1,167,444)
Fines and forfeitures	900,000	900,000	1,156,202	256,202
Investment income	7,369,549	7,369,549	8,456,539	1,086,990
Miscellaneous	1,132,990	1,455,066	1,497,529	42,463
Less 5% anticipated revenues	(321,020)	(321,020)	-	321,020
Total revenues	38,125,635	41,329,385	21,773,917	(19,555,468)
Expenditures:				
Current:				
General government	122,473,981	126,359,508	44,981,285	81,378,223
Public safety	152,497	149,437	18,830	130,607
Physical environment	10,439,664	8,226,060	3,193,811	5,032,249
Transportation	554,364	1,290,434	264,883	1,025,551
Economic environment	6,403,138	1,661,883	545,619	1,116,264
Human services	95,976	95,976	-	95,976
Capital outlay	109,269,388	118,946,125	17,171,776	101,774,349
Debt service	900,992	1,814,091	1,313,694	500,397
Total expenditures	250,290,000	258,543,514	67,489,898	191,053,616
Excess of revenues over (under) expenditures	(212,164,365)	(217,214,129)	(45,715,981)	171,498,148
Other financing sources (uses):				
Transfers in	8,620,247	22,662,806	13,364,737	(9,298,069)
Transfers out	(19,668,156)	(19,741,243)	(19,749,539)	(8,296)
Total other financing sources (uses)	(11,047,909)	2,921,563	(6,384,802)	(9,306,365)
Net change in fund balances	(223,212,274)	(214,292,566)	(52,100,783)	162,191,783
Fund balances, October 1, 2009	223,212,274	214,292,566	216,342,563	2,049,997
Fund balances, September 30, 2010	\$ -	\$ -	\$ 164,241,780	\$ 164,241,780

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ 39	\$ 39
Special assessments	64,364	64,364	190,774	126,410
Intergovernmental	-	700,000	350,000	(350,000)
Investment income	1,326,000	1,326,000	2,548,279	1,222,279
Miscellaneous	-	-	298,654	298,654
Less 5% anticipated revenues	(57,018)	(57,018)	-	57,018
Total revenues	1,333,346	2,033,346	3,387,746	1,354,400
Expenditures:				
Current:				
Public safety	1	1	-	1
Culture and recreation	1,656,827	2,636,104	1,718,951	917,153
Capital outlay	64,752,760	61,187,354	12,331,096	48,856,258
Debt service	44,961	44,961	-	44,961
Total expenditures	66,454,549	63,868,420	14,050,047	49,818,373
Excess of revenues over (under) expenditures	(65,121,203)	(61,835,074)	(10,662,301)	51,172,773
Other financing sources (uses):				
Transfers in	205,000	205,000	205,000	-
Total other financing sources (uses)	205,000	205,000	205,000	-
Net change in fund balances	(64,916,203)	(61,630,074)	(10,457,301)	51,172,773
Fund balances, October 1, 2009	64,916,203	61,630,074	61,630,074	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ 51,172,773	\$ 51,172,773

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Parks & Recreation Capital Projects Fund
For the fiscal year ended September 30, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 512,764	\$ 512,764	\$ 1,617,620	\$ 1,104,856
Intergovernmental	2,718,222	3,883,911	381,204	(3,502,707)
Charges for services	-	-	317,878	317,878
Investment income	2,650,001	2,650,001	2,588,634	(61,367)
Miscellaneous	144,558	144,558	95,448	(49,110)
Less 5% anticipated revenues	(301,277)	(301,277)	-	301,277
Total revenues	5,724,268	6,889,957	5,000,784	(1,889,173)
Expenditures:				
Current:				
Public safety	266,015	-	-	-
Physical environment	32,640	121,603	121,603	-
Economic environment	2	5,147	5,147	-
Culture and recreation	24,256,741	27,575,805	8,222,416	19,353,389
Capital outlay	48,432,960	41,904,330	13,625,393	28,278,937
Debt service	51,085	1,509,255	1,489,209	20,046
Total expenditures	73,039,443	71,116,140	23,463,768	47,652,372
Excess of revenues over (under) expenditures	(67,315,175)	(64,226,183)	(18,462,984)	45,763,199
Other financing sources (uses):				
Transfers in	-	83,450	-	(83,450)
Transfers out	(646,265)	(646,265)	(646,265)	-
Total other financing sources (uses)	(646,265)	(562,815)	(646,265)	(83,450)
Net change in fund balances	(67,961,440)	(64,788,998)	(19,109,249)	45,679,749
Fund balances, October 1, 2009	67,961,440	64,788,998	64,788,999	1
Fund balances, September 30, 2010	\$ -	\$ -	\$ 45,679,750	\$ 45,679,750

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, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 32,383,000	\$ 32,383,000	\$ 32,941,849	\$ 558,849
Special assessments	5,897,554	20,954,706	6,527,476	(14,427,230)
Intergovernmental	51,198,920	80,798,763	18,118,579	(62,680,184)
Charges for services	1,300,000	-	-	-
Investment income	10,853,000	10,853,000	16,517,138	5,664,138
Miscellaneous	4,293,509	4,899,833	10,045,566	5,145,733
Less 5% anticipated revenues	(2,414,350)	(2,414,350)	-	2,414,350
Total revenues	103,511,633	147,474,952	84,150,608	(63,324,344)
Expenditures:				
Current:				
General government	5,154,553	3,854,553	2,572,207	1,282,346
Transportation	15,823,700	16,265,310	5,784,868	10,480,442
Economic environment	583,023	648,055	-	648,055
Capital outlay	410,370,329	450,689,621	47,815,571	402,874,050
Total expenditures	431,931,605	471,457,539	56,172,646	415,284,893
Excess of revenues over (under) expenditures	(328,419,972)	(323,982,587)	27,977,962	351,960,549
Other financing sources (uses):				
Transfers in	814,000	814,000	814,000	-
Transfers out	(34,930,273)	(34,552,020)	(34,552,020)	-
Total other financing sources (uses)	(34,116,273)	(33,738,020)	(33,738,020)	-
Net change in fund balances	(362,536,245)	(357,720,607)	(5,760,058)	351,960,549
Fund balances, October 1, 2009	362,536,245	357,720,607	357,720,606	(1)
Fund balances, September 30, 2010	\$ -	\$ -	\$ 351,960,548	\$ 351,960,548

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Street & Drainage Capital Projects Fund
For the fiscal year ended September 30, 2010

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 150,000	\$ 150,000	\$ 752,673	\$ 602,673
Investment income	545,500	545,500	720,447	174,947
Less 5% anticipated revenues	(34,650)	(34,650)	-	34,650
Total revenues	660,850	660,850	1,473,120	812,270
Expenditures:				
Current:				
Transportation	420,117	379,544	187,698	191,846
Capital outlay	10,518,343	10,452,350	994,671	9,457,679
Total expenditures	10,938,460	10,831,894	1,182,369	9,649,525
Excess of revenues over (under) expenditures	(10,277,610)	(10,171,044)	290,751	10,461,795
Net change in fund balances	(10,277,610)	(10,171,044)	290,751	10,461,795
Fund balances, October 1, 2009	10,277,610	10,171,044	10,171,044	-
Fund balances, September 30, 2010	\$ -	\$ -	\$ 10,461,795	\$ 10,461,795



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.

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. This fund was closed during fiscal year 2010.

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, 2010

	Fleet Management	Combined Insurance Fund	ISS	Clerk & Comptroller Insurance Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,436,497	\$ 84,091,134	\$ -	\$ 3,740,642	\$ 98,268,273
Accounts receivable, net	28,787	1,863,765	-	1,185	1,893,737
Due from other county funds	2,421,785	2,940,582	-	418,282	5,780,649
Due from other governments	215,522	73,586	-	16,100	305,208
Due from component unit	-	3,891	-	-	3,891
Inventory	1,544,300	-	-	-	1,544,300
Other assets	-	4,211,467	-	-	4,211,467
Total current assets	14,646,891	93,184,425	-	4,176,209	112,007,525
Capital assets:					
Buildings	206,558	-	-	-	206,558
Improvements other than buildings	512,286	-	-	-	512,286
Furniture, fixtures and equipment	69,591,683	325,738	-	-	69,917,421
Accumulated depreciation	(44,966,017)	(238,257)	-	-	(45,204,274)
Total assets	39,991,401	93,271,906	-	4,176,209	137,439,516
LIABILITIES					
Current liabilities:					
Vouchers payable and accrued liabilities	1,586,222	7,499,465	-	818	9,086,505
Due to other county funds	37,261	589	-	731,602	769,452
Due to other governments	42	144,898	-	-	144,940
Due to individuals	-	-	-	103,028	103,028
Current portion of long-term debt	30,617	18,545	-	-	49,162
Insurance claims payable	-	21,256,182	-	806,000	22,062,182
Total current liabilities	1,654,142	28,919,679	-	1,641,448	32,215,269
Other long-term liabilities	639,179	40,009,477	-	-	40,648,656
Total liabilities	2,293,321	68,929,156	-	1,641,448	72,863,925
NET ASSETS					
Invested in capital assets, net of related debt	25,344,510	87,481	-	-	25,431,991
Unrestricted	12,353,570	24,255,269	-	2,534,761	39,143,600
Total net assets	\$ 37,698,080	\$ 24,342,750	\$ -	\$ 2,534,761	\$ 64,575,591

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, 2010

	Fleet Management	Combined Insurance Fund	ISS	Clerk & Comptroller Insurance Fund	Total
Operating revenues:					
Charges for services	\$ 29,733,159	\$ 77,429,158	\$ -	\$ 7,235,091	\$ 114,397,408
Total operating revenues	29,733,159	77,429,158	-	7,235,091	114,397,408
Operating expenses:					
Transportation services	20,521,719	-	-	-	20,521,719
Self-insurance services	-	96,775,423	-	7,401,276	104,176,699
Data processing services	-	-	-	-	-
Depreciation and amortization	8,426,658	24,173	-	-	8,450,831
Total operating expenses	28,948,377	96,799,596	-	7,401,276	133,149,249
Operating income (loss)	784,782	(19,370,438)	-	(166,185)	(18,751,841)
Nonoperating revenues (expense):					
Investment income	501,264	3,909,279	-	3,211	4,413,754
Fund closure of noncurrent resources	-	-	(1,141,415)	-	(1,141,415)
Other revenues	494,229	1,060,816	-	-	1,555,045
Total nonoperating revenues (expense)	995,493	4,970,095	(1,141,415)	3,211	4,827,384
Income (loss) before capital contributions and transfers	1,780,275	(14,400,343)	(1,141,415)	(162,974)	(13,924,457)
Capital contributions	70,296	-	-	-	70,296
Transfers out	(5,250,830)	(3,169,865)	(2,691,598)	-	(11,112,293)
Change in net assets	(3,400,259)	(17,570,208)	(3,833,013)	(162,974)	(24,966,454)
Net Assets October 1, 2009	41,098,339	41,912,958	3,833,013	2,697,735	89,542,045
Net Assets September 30, 2010	\$ 37,698,080	\$ 24,342,750	\$ -	\$ 2,534,761	\$ 64,575,591

PALM BEACH COUNTY, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended September 30, 2010

	Fleet Management	Combined Insurance Fund
Cash flows from operating activities:		
Cash received from customers	\$ 1,676,730	\$ 8,503,548
Cash received from other funds for goods and services	27,778,232	68,462,450
Cash payments to vendors for goods and services	(13,522,139)	(3,088,260)
Cash payments to employees for services	(5,226,065)	(2,396,613)
Cash payments to other funds	(1,519,214)	(1,331,245)
Claims paid	-	(75,896,621)
Other receipts	22,132	1,060,590
Net cash provided by (used in) operating activities	9,209,676	(4,686,151)
Cash flows from noncapital financing activities:		
Transfers out	(5,250,830)	(3,169,865)
Net cash (used in) noncapital financing activities	(5,250,830)	(3,169,865)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	519,520	227
Purchase and construction of capital assets	(6,138,255)	-
Net cash provided by (used in) capital and related financing activities	(5,618,735)	227
Cash flows from investing activities:		
Interest on investments	501,264	3,909,279
Net cash provided by investing activities	501,264	3,909,279
Net increase (decrease) in cash and cash equivalents	(1,158,625)	(3,946,510)
Cash and cash equivalents, October 1, 2009	11,595,122	88,037,644
Cash and cash equivalents, September 30, 2010	\$ 10,436,497	\$ 84,091,134
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 784,782	\$(19,370,438)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	8,426,658	24,173
Fund closure of noncurrent resources	-	-
Miscellaneous revenue	22,132	1,060,590
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	19,337	(33,441)
(Increase) decrease in due from other county funds	(211,619)	(428,338)
(Increase) decrease in due from other governments	(41,216)	(1,455)
(Increase) in inventory	(101,014)	-
Decrease in other assets	-	502,475
Decrease in due from component unit	-	73
Increase (decrease) in vouchers payable and accrued liabilities	399,429	7,298,155
Increase (decrease) in due to other county funds	(7,888)	(37,365)
Increase (decrease) in due to other governments	43	(72,225)
Increase in due to individuals	-	-
(Decrease) in unearned revenue	(44,698)	-
(Decrease) in current portion of long-term debt	(22,136)	(3,666)
Increase in insurance claims payable	-	623,665
Increase (decrease) in other long-term liabilities	(14,134)	5,751,646
Net cash provided by (used in) operating activities	\$ 9,209,676	\$ (4,686,151)
Supplemental disclosure of noncash capital and related financing activities:		
Contribution of capital assets	\$ 70,296	\$ -
Disposal of fully depreciated capital assets	\$ 2,194,119	\$ 59,480

	ISS	Clerk & Comptroller Insurance Fund	Total
\$	-	\$ 1,502,316	\$ 11,682,594
	-	6,044,834	102,285,516
	-	(2,605,106)	(19,215,505)
	-	(56,719)	(7,679,397)
	-	-	(2,850,459)
	-	(4,018,443)	(79,915,064)
	-	-	1,082,722
	-	866,882	5,390,407
	(1,360,843)	-	(9,781,538)
	(1,360,843)	-	(9,781,538)
	-	-	519,747
	-	-	(6,138,255)
	-	-	(5,618,508)
	-	3,211	4,413,754
	-	3,211	4,413,754
	(1,360,843)	870,093	(5,595,885)
	1,360,843	2,870,549	103,864,158
\$	-	\$ 3,740,642	\$ 98,268,273
\$	-	\$ (166,185)	\$ (18,751,841)
	-	-	8,450,831
(1,141,415)	-	-	(1,141,415)
-	-	-	1,082,722
2,105	299,568	-	287,569
2,499,750	28,591	-	1,888,384
7,999	(16,100)	-	(50,772)
-	-	-	(101,014)
10,383	-	-	512,858
1,519	-	-	1,592
(1,160,804)	(5,456)	-	6,531,324
(89,391)	634,436	-	499,792
(4,160)	-	-	(76,342)
-	103,028	-	103,028
-	-	-	(44,698)
-	-	-	(25,802)
-	(11,000)	-	612,665
(125,986)	-	-	5,611,526
\$	-	\$ 866,882	\$ 5,390,407
\$	-	\$ -	\$ 70,296
\$	-	\$ -	\$ 2,253,599



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, 2010

AGENCY FUNDS					
	Board of County Commissioners	Sheriff	Clerk & Comptroller	Tax Collector	Total Agency Funds
ASSETS					
Cash and cash equivalents	\$ 6,653,832	\$ 279,460	\$ 57,571,878	\$ 44,609,093	\$ 109,114,263
Investments	-	-	-	57,883	57,883
Accounts receivable, net	4,726	437,188	86,103	99,347	627,364
Due from other governments	63,494	1,664,752	12,093	154	1,740,493
Other assets	-	408	-	-	408
Total assets	\$ 6,722,052	\$ 2,381,808	\$ 57,670,074	\$ 44,766,477	\$ 111,540,411
LIABILITIES					
Vouchers payable and accrued liabilities	\$ 3,919,962	\$ 56,484	\$ -	\$ 553,979	\$ 4,530,425
Due to other governments	323,177	571,848	11,243,294	37,607,422	49,745,741
Due to individuals	2,198,248	1,753,476	46,426,780	6,605,076	56,983,580
Other liabilities	280,665	-	-	-	280,665
Total liabilities	\$ 6,722,052	\$ 2,381,808	\$ 57,670,074	\$ 44,766,477	\$ 111,540,411

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2010

BOARD OF COUNTY COMMISSIONERS

	Balance 10/1/2009	Additions	Deductions	Balance 9/30/2010
ASSETS				
Cash and cash equivalents	\$ 6,770,085	\$ 649,707,112	\$ 649,823,365	\$ 6,653,832
Investments	-	-	-	-
Accounts receivable, net	461	4,415	150	4,726
Due from other county funds	-	251,107	251,107	-
Due from other governments	75,014	76,806	88,326	63,494
Other assets	-	-	-	-
Total assets	\$ 6,845,560	\$ 650,039,440	\$ 650,162,948	\$ 6,722,052
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 3,999,164	\$ 52,437,485	\$ 52,516,687	\$ 3,919,962
Due to other county funds	-	585,940,222	585,940,222	-
Due to other governments	428,706	2,587,870	2,693,399	323,177
Due to component unit	-	9,061,006	9,061,006	-
Due to individuals	2,063,139	1,126,065	990,956	2,198,248
Other liabilities	354,551	6,089,300	6,163,186	280,665
Total liabilities	\$ 6,845,560	\$ 657,241,948	\$ 657,365,456	\$ 6,722,052

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2010

SHERIFF

	Balance 10/1/2009	Additions	Deductions	Balance 9/30/2010
ASSETS				
Cash and cash equivalents	\$ -	\$ 90,589,197	\$ 90,309,737	\$ 279,460
Investments	-	-	-	-
Accounts receivable, net	306,438	8,344,314	8,213,564	437,188
Due from other county funds	-	12,391,937	12,391,937	-
Due from other governments	590,374	51,840,503	50,766,125	1,664,752
Other assets	468	809	869	408
Total assets	\$ 897,280	\$ 163,166,760	\$ 161,682,232	\$ 2,381,808
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 83,684	\$ 92,460,851	\$ 92,488,051	\$ 56,484
Due to other county funds	-	101,837,163	101,837,163	-
Due to other governments	339,393	3,242,052	3,009,597	571,848
Due to component unit	-	-	-	-
Due to individuals	474,203	55,718,698	54,439,425	1,753,476
Other liabilities	-	-	-	-
Total liabilities	\$ 897,280	\$ 253,258,764	\$ 251,774,236	\$ 2,381,808

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2010

CLERK & COMPTROLLER

	Balance 10/1/2009	Additions	Deductions	Balance 9/30/2010
ASSETS				
Cash and cash equivalents	\$ 28,750,166	\$ 442,417,536	\$ 413,595,824	\$ 57,571,878
Investments	-	-	-	-
Accounts receivable, net	82,850	9,766,858	9,763,605	86,103
Due from other county funds	-	8,488,009	8,488,009	-
Due from other governments	16,426	12,330	16,663	12,093
Other assets	-	-	-	-
Total assets	\$ 28,849,442	\$ 460,684,733	\$ 431,864,101	\$ 57,670,074
LIABILITIES				
Vouchers payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other county funds	-	23,836,542	23,836,542	-
Due to other governments	8,452,981	284,866,534	282,076,221	11,243,294
Due to component unit	-	-	-	-
Due to individuals	20,396,461	197,352,153	171,321,834	46,426,780
Other liabilities	-	-	-	-
Total liabilities	\$ 28,849,442	\$ 506,055,229	\$ 477,234,597	\$ 57,670,074

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2010

TAX COLLECTOR

	Balance 10/1/2009	Additions	Deductions	Balance 9/30/2010
ASSETS				
Cash and cash equivalents	\$ 38,913,294	\$ 3,419,301,511	\$ 3,413,605,712	\$ 44,609,093
Investments *	74,829	23	16,969	57,883
Accounts receivable, net	90,490	1,346,054	1,337,197	99,347
Due from other county funds	-	-	-	-
Due from other governments	711	920	1,477	154
Other assets	-	-	-	-
Total assets	\$ 39,079,324	\$ 3,420,648,508	\$ 3,414,961,355	\$ 44,766,477
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 1,032,250	\$ 1,336,501	\$ 1,814,772	\$ 553,979
Due to other county funds	-	-	-	-
Due to other governments	31,093,642	2,238,944,401	2,232,430,621	37,607,422
Due to component unit	-	-	-	-
Due to individuals	6,953,432	1,042,469,329	1,042,817,685	6,605,076
Other liabilities	-	-	-	-
Total liabilities	\$ 39,079,324	\$ 3,282,750,231	\$ 3,277,063,078	\$ 44,766,477

(continued)

* Reported in prior year with Cash and cash equivalents.

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2010

TOTAL AGENCY FUNDS

	Balance 10/1/2009	Additions	Deductions	Balance 9/30/2010
ASSETS				
Cash and cash equivalents	\$ 74,433,545	\$ 4,602,015,356	\$ 4,567,334,638	\$ 109,114,263
Investments *	74,829	23	16,969	57,883
Accounts receivable, net	480,239	19,461,641	19,314,516	627,364
Due from other county funds	-	21,131,053	21,131,053	-
Due from other governments	682,525	51,930,559	50,872,591	1,740,493
Other assets	468	809	869	408
Total assets	\$ 75,671,606	\$ 4,694,539,441	\$ 4,658,670,636	\$ 111,540,411
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 5,115,098	\$ 146,234,837	\$ 146,819,510	\$ 4,530,425
Due to other county funds	-	711,613,927	711,613,927	-
Due to other governments	40,314,722	2,529,640,857	2,520,209,838	49,745,741
Due to component unit	-	9,061,006	9,061,006	-
Due to individuals	29,887,235	1,296,666,245	1,269,569,900	56,983,580
Other liabilities	354,551	6,089,300	6,163,186	280,665
Total liabilities	\$ 75,671,606	\$ 4,699,306,172	\$ 4,663,437,367	\$ 111,540,411

(concluded)

* Reported in prior year with Cash and cash equivalents.



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 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.

<u>Contents</u>	<u>Page</u>
Financial Trends Information <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>	176
Revenue Capacity Information <i>These schedules contain information to help the reader assess the County's most significant local revenue source, Property taxes.</i>	188
Debt Capacity Information <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>	197
Demographic and Economic Information <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>	203
Operating Information <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>	206

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 Nine Fiscal Years
September 30, 2010
(accrual basis of accounting)

	2010	2009	2008
Governmental activities			
Invested in capital assets, net of related debt	\$1,450,011,423	\$1,379,604,426	\$1,259,900,977
Restricted	775,130,243	791,216,501	721,136,994
Unrestricted	125,567,464	215,300,661	404,592,872
Subtotal governmental activities net assets	<u>2,350,709,130</u>	<u>2,386,121,588</u>	<u>2,385,630,843</u>
Business-type activities			
Invested in capital assets, net of related debt	1,279,889,595	1,295,978,868	1,221,939,326
Restricted	100,822,222	102,511,960	81,853,521
Unrestricted	289,268,076	247,786,962	256,633,886
Subtotal business-type activities net assets	<u>1,669,979,893</u>	<u>1,646,277,790</u>	<u>1,560,426,733</u>
Primary government			
Invested in capital assets, net of related debt	2,729,901,018	2,675,583,294	2,481,840,303
Restricted	875,952,465	893,728,461	802,990,515
Unrestricted	414,835,540	463,087,623	661,226,758
Total primary government net assets	<u><u>\$4,020,689,023</u></u>	<u><u>\$4,032,399,378</u></u>	<u><u>\$3,946,057,576</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.

2007	2006	2005	2004	2003	2002
\$ 1,258,858,321	\$ 1,149,700,254	\$ 1,045,215,024	\$ 984,688,856	\$ 703,748,337	\$ 611,054,550
691,922,069	653,306,180	719,046,886	587,662,798	544,039,097	499,347,555
424,170,355	440,749,051	253,276,911	256,909,610	221,261,900	207,072,101
<u>2,374,950,745</u>	<u>2,243,755,485</u>	<u>2,017,538,821</u>	<u>1,829,261,264</u>	<u>1,469,049,334</u>	<u>1,317,474,206</u>
1,086,676,383	948,165,708	861,609,196	762,742,002	668,501,790	576,307,538
96,296,100	75,198,428	73,553,352	97,185,482	91,070,934	91,128,462
280,151,773	293,449,654	260,387,167	252,706,877	264,202,723	284,772,975
<u>1,463,124,256</u>	<u>1,316,813,790</u>	<u>1,195,549,715</u>	<u>1,112,634,361</u>	<u>1,023,775,447</u>	<u>952,208,975</u>
2,345,534,704	2,097,865,962	1,906,824,220	1,747,430,858	1,372,250,127	1,187,362,088
788,218,169	728,504,608	792,600,238	684,848,280	635,110,031	590,476,017
704,322,128	734,198,705	513,664,078	509,616,487	485,464,623	491,845,076
<u>\$ 3,838,075,001</u>	<u>\$ 3,560,569,275</u>	<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 Nine Fiscal Years
September 30, 2010
(accrual basis of accounting)

	2010	2009	2008
Expenses			
Governmental activities:			
General government	\$ 371,148,103	\$ 361,226,125	\$ 350,734,704
Public safety	786,471,756	745,921,020	687,642,947
Physical environment	43,167,022	31,362,849	25,796,346
Transportation	156,220,175	159,185,218	164,201,354
Economic environment	81,413,581	97,971,339	213,041,163
Human services	105,602,745	102,646,882	101,164,791
Culture & recreation	125,116,020	119,372,592	124,177,434
Interest expense	54,553,591	57,030,394	49,875,129
Total governmental activities expenses	1,723,692,993	1,674,716,419	1,716,633,868
Business-type activities:			
Department of Airports	76,945,438	78,046,101	71,747,321
Water Utilities Department	138,430,579	139,641,769	127,812,208
Solid Waste Authority	201,080,621	182,688,229	160,805,739
Total business-type activities expenses	416,456,638	400,376,099	360,365,268
Total primary government expenses	2,140,149,631	2,075,092,518	2,076,999,136
Program Revenues			
Governmental activities:			
Fines, fees and charges for services			
General government	103,620,685	114,047,649	129,124,303
Public safety	115,863,889	110,334,202	98,503,611
Physical environment	17,133,350	10,151,537	4,997,300
Transportation	18,614,170	17,193,688	26,379,224
Economic environment	3,437,443	3,290,607	3,227,522
Human services	3,348,276	3,698,309	5,897,399
Culture & recreation	15,373,433	14,251,315	12,332,208
Operating Grants and Contributions	166,400,734	124,370,724	132,135,333
Capital Grants and Contributions	17,336,040	18,467,156	40,630,120
Total governmental activities program revenue	461,128,020	415,805,187	453,227,020
Business-type activities:			
Fines, fees and charges for services			
Department of Airports	76,165,984	75,700,643	74,338,460
Water Utilities Department	141,616,613	130,226,088	118,720,944
Solid Waste Authority	238,743,084	226,946,893	195,947,347
Operating Grants and Contributions	1,587,479	2,611,735	9,076,750
Capital Grants and Contributions	29,919,742	39,857,577	59,477,117
Total business-type activities program revenue	488,032,902	475,342,936	457,560,618
Total primary government program revenues	949,160,922	891,148,123	910,787,638

	2007	2006	2005	2004	2003	2002
\$	353,587,607	\$ 334,221,067	\$ 287,930,665	\$ 277,009,468	\$ 270,247,442	\$ 213,736,559
	648,701,203	594,769,838	547,224,383	480,227,919	434,565,298	388,653,721
	28,636,570	22,758,674	25,537,612	23,720,500	19,546,116	19,910,361
	169,132,729	146,885,943	167,115,551	128,520,025	91,633,960	87,621,176
	160,162,014	70,953,984	56,343,792	50,619,793	43,030,647	40,223,124
	100,967,046	92,500,262	87,689,004	88,722,328	80,494,994	74,829,578
	119,260,294	135,554,637	100,373,803	94,616,074	88,833,662	82,338,425
	49,027,928	46,868,063	40,736,456	36,729,939	34,241,486	36,088,899
	1,629,475,391	1,444,512,468	1,312,951,266	1,180,166,046	1,062,593,605	943,401,843
	66,276,956	65,296,423	66,018,396	58,126,033	57,070,803	54,760,966
	112,853,464	98,664,387	84,650,247	77,154,525	72,006,274	69,054,046
	158,484,143	211,845,828	193,876,262	151,239,222	135,594,046	130,149,594
	337,614,563	375,806,638	344,544,905	286,519,780	264,671,123	253,964,606
	1,967,089,954	1,820,319,106	1,657,496,171	1,466,685,826	1,327,264,728	1,197,366,449
	132,000,732	157,791,914	145,804,439	122,143,504	113,373,676	104,616,133
	94,764,762	90,472,783	94,327,833	86,737,955	87,545,979	84,038,588
	5,680,770	8,888,175	8,984,143	6,278,825	6,751,335	6,123,426
	31,801,521	56,056,281	62,242,662	59,161,311	55,763,950	56,028,175
	3,122,003	2,985,295	2,936,974	2,260,256	394,000	178,892
	3,140,222	2,884,924	3,136,439	3,613,563	3,313,414	3,027,102
	15,254,861	20,951,076	24,344,306	27,575,440	14,161,054	12,581,231
	132,204,759	169,338,489	146,143,765	123,265,311	100,721,579	99,039,399
	18,202,648	18,860,932	29,908,643	23,246,229	24,043,163	16,365,287
	436,172,278	528,229,869	517,829,204	454,282,394	406,068,150	381,998,233
	77,478,538	73,656,481	70,695,132	61,474,612	55,350,172	52,373,491
	107,090,233	97,504,258	91,355,681	91,960,731	83,683,696	81,086,893
	195,898,364	176,395,212	161,923,748	150,871,971	140,282,109	133,125,102
	30,829,908	71,862,103	46,954,571	17,935,686	6,005,790	7,362,973
	57,146,874	86,049,256	51,255,084	45,811,678	44,405,912	36,463,268
	468,443,917	505,467,310	422,184,216	368,054,678	329,727,679	310,411,727
	904,616,195	1,033,697,179	940,013,420	822,337,072	735,795,829	692,409,960

TABLE II
PALM BEACH COUNTY, FLORIDA
Changes in Net Assets
Last Nine Fiscal Years
September 30, 2010
(accrual basis of accounting)

(Continuations)

	2010	2009	2008
Net (Expenses)/Revenue			
Governmental activities:	\$ (1,262,564,973)	\$ (1,258,911,232)	\$ (1,263,406,848)
Business-type activities:	71,576,264	74,966,837	97,195,350
Total primary government net expense	<u>(1,190,988,709)</u>	<u>(1,183,944,395)</u>	<u>(1,166,211,498)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes levied by the County			
Ad valorem taxes	860,977,954	855,761,096	897,890,650
Utility service taxes	33,837,191	29,662,838	30,543,325
Local option gas taxes	44,949,024	45,472,637	46,068,630
Tourist development taxes	23,219,185	22,346,492	27,813,718
State shared sales tax-unrestricted	64,268,114	64,658,133	72,375,458
Franchise gross receipts fee	38,512,546	34,149,094	30,039,809
State shared revenue-unrestricted	87,130,547	62,583,579	59,369,923
Investment income	71,620,542	135,105,777	87,183,609
Other general revenues	3,638,664	8,562,331	6,092,958
Gain on disposal of capital assets	-	-	-
Transfers-net	(1,001,252)	1,100,000	9,654,866
Total governmental activities	<u>1,227,152,515</u>	<u>1,259,401,977</u>	<u>1,267,032,946</u>
Business-type activities:			
Investment income	7,506,002	11,984,220	9,684,500
Other general revenues	-	-	-
Gain on disposal of capital assets	-	-	77,493
Transfers-net	1,001,252	(1,100,000)	(9,654,866)
Special items	(56,381,415)	-	-
Total business-type activities	<u>(47,874,161)</u>	<u>10,884,220</u>	<u>107,127</u>
Total primary government	<u>1,179,278,354</u>	<u>1,270,286,197</u>	<u>1,267,140,073</u>
Change in Net Assets			
Governmental activities	(35,412,458)	490,745	3,626,098
Business-type activities	23,702,103	85,851,057	97,302,477
Total primary government	<u>\$ (11,710,355)</u>	<u>\$ 86,341,802</u>	<u>\$ 100,928,575</u>

2007	2006	2005	2004	2003	2002
\$ (1,193,303,113)	\$ (916,282,599)	\$(795,122,062)	\$(725,883,652)	\$(656,525,455)	\$(561,403,610)
130,829,354	129,660,672	77,639,311	81,534,898	65,056,556	56,447,121
(1,062,473,759)	(786,621,927)	(717,482,751)	(644,348,754)	(591,468,899)	(504,956,489)
939,719,588	800,033,319	685,200,765	606,326,239	542,171,572	499,742,790
29,824,203	28,882,670	28,074,005	27,196,819	28,314,364	28,094,173
47,668,148	49,144,912	49,196,637	48,033,683	45,946,096	43,443,989
26,818,069	23,528,567	22,516,374	19,848,215	17,330,095	16,621,855
76,120,744	80,019,101	76,660,073	73,705,133	66,973,342	65,710,225
30,005,367	29,707,735	25,707,598	22,856,094	22,844,936	21,516,559
61,569,609	61,593,434	58,434,994	54,733,943	48,113,623	46,194,731
98,855,421	75,370,005	33,639,043	33,858,058	31,005,054	58,374,866
9,640,268	5,274,520	4,169,936	1,563,777	3,696,464	4,293,167
6,804,989	-	-	-	1,647,381	3,035,435
(2,528,033)	(11,055,000)	(199,806)	(358,500)	54,656	-
1,324,498,373	1,142,499,263	983,399,619	887,763,461	808,097,583	787,027,790
12,932,755	9,298,155	5,076,237	5,991,610	6,498,178	13,762,293
-	48,047	-	-	-	-
20,324	3,416,202	-	738,906	76,394	1,747,300
2,528,033	11,055,000	199,806	358,500	(54,656)	-
-	(32,214,001)	-	225,000	-	1,766,800
15,481,112	(8,396,597)	5,276,043	7,314,016	6,519,916	17,276,393
1,339,979,485	1,134,102,666	988,675,662	895,077,477	814,617,499	804,304,183
131,195,260	226,216,664	188,277,557	161,879,809	151,572,128	225,624,180
146,310,466	121,264,075	82,915,354	88,848,914	71,576,472	73,723,514
\$ 277,505,726	\$ 347,480,739	\$ 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, 2010
(modified accrual basis of accounting)

	2010	2009	2008	2007	2006
General Fund					
Reserved	\$ 2,075,220	\$ 2,050,551	\$ 1,998,639	\$ 2,072,013	\$ 2,705,674
Unreserved	167,040,777	178,812,646	218,575,161	240,764,804	218,802,474
Total general fund	<u>\$ 169,115,997</u>	<u>\$ 180,863,197</u>	<u>\$ 220,573,800</u>	<u>\$ 242,836,817</u>	<u>\$ 221,508,148</u>
All Other Governmental Funds					
Reserved	\$ 41,693,047	\$ 42,910,572	\$ 46,696,097	\$ 29,563,773	\$ 35,810,097
Unreserved, reported in:					
Special revenue funds	286,753,270	269,123,104	276,245,476	254,283,049	244,649,627
Capital project funds	759,316,295	931,298,645	973,138,644	883,294,634	981,898,355
Total all other governmental funds	<u>\$ 1,087,762,612</u>	<u>\$ 1,243,332,321</u>	<u>\$ 1,296,080,217</u>	<u>\$ 1,167,141,456</u>	<u>\$ 1,262,358,079</u>

2005	2004	2003	2002	2001
\$ 2,377,934	\$ 1,504,296	\$ 1,377,875	\$ 1,126,397	\$ 1,122,650
182,467,939	148,241,675	182,729,927	177,405,978	157,777,257
<u>\$ 184,845,873</u>	<u>\$ 149,745,971</u>	<u>\$ 184,107,802</u>	<u>\$ 178,532,375</u>	<u>\$ 158,899,907</u>
\$ 38,533,591	\$ 21,298,817	\$ 21,335,310	\$ 20,286,577	\$ 20,289,717
216,117,295	183,168,481	149,100,263	173,883,854	138,093,464
898,318,247	730,838,681	624,543,322	553,193,800	528,026,445
<u>\$ 1,152,969,133</u>	<u>\$ 935,305,979</u>	<u>\$ 794,978,895</u>	<u>\$ 747,364,231</u>	<u>\$ 686,409,626</u>

Table IV
PALM BEACH COUNTY, FLORIDA
Changes in Fund Balance
Governmental Funds
Last Ten Fiscal Years
September 30, 2010
(modified accrual basis of accounting)

	2010	2009	2008	2007	2006
Revenues					
Taxes (See Table V)	\$ 990,532,379	\$ 981,612,885	\$1,060,648,899	\$1,103,524,951	\$ 959,811,851
Special assessments	14,280,821	12,800,895	30,766,826	37,199,384	93,320,734
Licenses and permits	51,631,037	45,277,203	14,495,838	18,905,841	27,124,893
Intergovernmental (See Table V)	281,852,363	230,405,234	231,253,335	225,178,347	274,002,360
Charges for services	270,399,489	268,772,594	263,170,088	258,533,429	254,197,688
Less - excess fees paid out	(42,088,065)	(45,435,474)	(48,986,202)	(50,266,917)	(40,873,561)
Fines & forfeitures	7,834,661	12,050,681	13,409,495	14,905,754	7,655,171
Investment income	66,901,016	127,214,081	84,558,686	97,232,629	71,586,595
Miscellaneous	26,792,351	23,927,073	25,256,701	39,679,635	35,124,869
Total revenues	1,668,136,052	1,656,625,172	1,674,573,666	1,744,893,053	1,681,950,600
Expenditures					
General government	320,528,157	301,345,410	310,329,730	313,015,263	290,838,621
Public safety	725,092,311	689,356,967	653,281,284	599,870,191	574,135,189
Physical environment	41,730,420	29,585,239	24,897,201	26,549,400	21,343,348
Transportation	121,543,922	129,347,587	136,380,373	133,592,630	121,777,304
Economic environment	81,075,787	99,032,530	175,019,052	155,367,439	70,743,624
Human services	103,155,921	101,393,023	99,860,522	99,109,754	91,612,500
Culture & recreation	107,158,290	103,713,504	106,653,976	103,809,416	123,390,031
Capital outlay	206,202,286	226,570,069	245,434,936	326,185,756	228,383,696
Debt service					
Principal	80,097,501	75,847,513	73,892,468	88,291,399	62,308,629
Interest	56,656,584	54,810,052	48,576,404	49,666,635	45,439,931
Other charges	3,464,706	2,771,849	4,845,829	665,931	3,024,010
Total expenditures	1,846,705,885	1,813,773,743	1,879,171,775	1,896,123,814	1,632,996,883
Excess of revenues over (under) expenditures	(178,569,833)	(157,148,571)	(204,598,109)	(151,230,761)	48,953,717
Other Financing Sources (Uses)					
Transfers in	796,831,395	874,338,459	790,518,983	789,706,485	649,145,798
Transfers out	(786,720,354)	(874,688,943)	(790,164,731)	(790,338,523)	(654,200,798)
Issuance of long-term debt	1,426,000	59,844,760	304,926,006	78,470,918	105,504,655
Premium (discount) long-term debt	-	804,667	5,446,308	561,966	(48,226)
Issuance of refunding debt	31,128,107	51,730,000	53,751,266	-	115,825,000
Premium (discount) refunding debt	1,114,948	979,778	797,115	-	-
Payment to escrow agent for refunding	(31,998,005)	(47,904,895)	(54,185,517)	-	(121,560,729)
Total other financing sources (uses)	11,782,091	65,103,826	311,089,430	78,400,846	94,665,700
Net change in fund balances	\$ (166,787,742)	\$ (92,044,745)	\$ 106,491,321	\$ (72,829,915)	\$ 143,619,417
Debt service as a percentage of noncapital expenditures (1)	8.3%	8.2%	7.5%	8.8%	7.7%

(1) Debt service percentage = (principal & interest) / (total expenditures - capital outlay capitalized as capital assets)

2005	2004	2003	2002	2001
\$ 839,088,219	\$ 750,538,352	\$ 678,623,758	\$ 630,295,303	\$ 569,258,844
106,468,425	96,267,382	92,674,006	88,984,709	66,502,896
23,241,939	18,423,955	15,971,817	15,196,656	17,383,730
255,413,934	211,072,156	191,300,405	188,659,369	159,672,406
250,621,639	197,993,504	156,568,583	167,772,906	124,333,193
(34,996,646)	(30,963,646)	-	-	-
7,368,597	14,451,096	16,926,636	17,307,566	19,706,246
31,087,205	30,482,437	26,711,503	54,270,496	77,439,464
26,262,217	24,668,231	23,233,113	33,458,090	33,077,754
1,504,555,529	1,312,933,467	1,202,009,821	1,195,945,095	1,067,374,533
266,333,173	245,309,801	233,733,569	207,319,138	205,350,114
514,830,158	455,658,451	413,014,162	374,776,192	341,867,103
23,607,179	21,418,568	18,412,689	19,541,885	22,295,095
133,742,817	101,418,238	87,911,562	83,668,447	33,363,353
56,103,756	50,441,054	42,769,728	40,038,880	35,314,458
87,112,369	87,273,324	79,186,286	73,151,152	68,344,041
88,698,037	83,478,624	77,340,894	72,460,441	59,683,973
253,918,590	193,564,051	177,374,886	185,824,438	204,731,400
51,899,195	47,422,546	43,855,556	43,678,253	34,953,861
37,950,596	34,920,376	34,037,366	37,025,562	31,030,021
5,187,643	3,825,224	759,726	1,421,888	2,030,569
1,519,383,513	1,324,730,257	1,208,396,424	1,138,906,276	1,038,963,988
(14,827,984)	(11,796,790)	(6,386,603)	57,038,819	28,410,545
558,070,700	549,407,015	511,941,179	491,802,641	448,203,647
(550,031,074)	(546,159,652)	(510,386,523)	(491,777,708)	(458,829,018)
246,305,233	107,127,451	55,537,758	18,659,000	156,305,000
11,127,960	5,145,225	2,337,087	-	(582,181)
76,555,000	94,297,549	-	18,560,000	-
3,550,476	9,606,053	-	1,021,629	-
(78,935,818)	(102,397,730)	-	(19,329,587)	-
266,642,477	117,025,911	59,429,501	18,935,975	145,097,448
\$ 251,814,493	\$ 105,229,121	\$ 53,042,898	\$ 75,974,794	\$ 173,507,993
7.1%	7.3%	7.4%	8.4%	7.9%

TABLE V
PALM BEACH COUNTY, FLORIDA
Tax and Intergovernmental Revenue by Source
Last Ten Fiscal Years
September 30, 2010
(modified accrual basis of accounting)
(dollars in thousands)

County Taxes

Fiscal Year	Ad valorem Tax	Tourist		Utility Tax (2)	Communication services		Franchise Fees (4)	Local Business Tax (4)	Total County Taxes
		Development Tax	Local option Gas tax		services Tax (2)	Franchise Fees (4)			
2001	\$ 451,949	\$ 18,584	\$ 30,972	\$ 41,175	\$ -	\$ 26,579	\$ -	\$ 569,259	
2002	499,743	16,622	43,444	28,094	20,876	21,516	-	630,295	
2003	542,172	17,330	45,946	28,314	22,017	22,845	-	678,624	
2004	606,326	19,848	48,034	27,197	26,277	22,856	-	750,538	
2005	685,201	22,516	49,197	28,074	28,393	25,708	-	839,089	
2006	800,033	23,528	49,145	28,883	28,515	29,708	-	959,812	
2007	939,720	26,818	47,668	29,824	29,490	30,005	-	1,103,525	
2008	897,891	27,814	46,069	30,543	28,992	29,340	-	1,060,649	
2009	855,761	22,346	45,473	29,663	26,447	-	1,923	981,613	
2010	860,978	23,219	44,949	33,837	25,645	-	1,904	990,532	

Intergovernmental Revenue

Fiscal Year	Sales Tax	State shared		Federal Grants (3)	State Other		Other (1)	Total Intergovernmental Revenue
		Revenue Sharing	State levied Fuel taxes		Other Grants	Other (1)		
2001	\$ 62,560	\$ 21,729	\$ 12,372	\$ 39,437	\$ 20,338	\$ 3,236	\$ 159,672	
2002	65,710	22,355	12,866	56,327	28,438	2,963	188,659	
2003	66,973	22,966	13,242	56,082	28,906	3,131	191,300	
2004	73,705	25,092	14,130	56,910	37,870	3,365	211,072	
2005	76,660	26,206	17,688	94,590	36,434	3,836	255,414	
2006	80,019	27,931	17,499	112,383	31,023	5,147	274,002	
2007	76,121	26,861	17,405	71,340	26,693	6,758	225,178	
2008	72,375	24,802	16,388	69,728	41,172	6,788	231,253	
2009	64,658	30,508	16,017	68,041	42,400	8,781	230,405	
2010	64,268	55,691	15,835	111,184	26,522	8,352	281,852	

- (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.
- (4) Effective with FY09, franchise fees are now considered to be "Licenses, Permits and Fees" and are no longer included in this table. Additionally, occupational licenses are now considered to be "Taxes" and are included in this table under the "Local Business Tax" column.

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
 Actual Value and Assessed Value of Taxable Property
 Last Ten Fiscal Years
 September 30, 2010
(in thousands of dollars)

Fiscal Year Ended Sept. 30	Residential Property	Commercial Property	Industrial Property	Other Property
2001	\$ 72,659,354	\$ 10,838,869	\$ 1,865,197	\$ 8,846,011
2002	84,133,321	11,565,328	2,057,109	9,007,988
2003	97,727,796	12,304,621	2,218,902	9,949,537
2004	115,361,431	13,484,265	2,466,880	10,876,003
2005	141,838,576	15,432,972	2,935,935	12,790,585
2006	186,122,863	19,818,634	3,754,689	15,233,577
2007	186,691,396	20,990,540	4,125,245	16,415,476
2008	171,730,204	21,856,923	4,408,947	17,058,313
2009	138,686,709	20,363,548	5,713,502	16,523,612
2010	120,021,300	17,424,642	4,754,067	15,274,596

Source: Palm Beach County Property Appraiser's Office.

Notes: Florida State Law requires all property to be assessed at current fair market value.

Exemptions for real property include: homestead exemptions, widows/widowers exemption, disability/blind exemption, governmental exemption, institutional exemption, economic development, and other exemptions as allowed by law.

Certain prior year amounts in this table have been revised based on additional information received.

Tangible Personal Property	Railroad And Telegraph	Total Property Just Value	Total Property Assessed Value	Less: Total Exempt Value	Total Taxable Value	Total Direct Tax Rate
\$ 6,743,621	\$ 58,319	\$ 101,011,371	\$ 94,595,570	\$ 14,973,381	\$ 79,622,189	4.9362
7,023,911	59,382	113,847,039	103,636,968	15,552,403	88,084,565	4.9351
7,057,718	73,154	129,331,728	114,729,650	16,392,415	98,337,235	4.8084
7,171,511	78,928	149,439,018	128,430,840	17,469,011	110,961,829	4.7910
7,477,803	70,344	180,546,215	148,876,692	18,872,126	130,004,566	4.7677
7,862,551	80,168	232,872,482	182,194,149	21,209,952	160,984,197	4.7192
8,023,846	102,611	236,349,114	191,826,739	21,816,790	170,009,949	4.4775
8,243,267	130,188	223,427,842	191,249,945	30,890,030	160,359,915	3.9813
8,403,311	104,151	189,794,833	171,643,979	30,201,055	141,442,924	3.9656
9,390,943	95,024	166,960,572	156,141,438	28,858,087	127,283,351	4.5614

TABLE VII
 PALM BEACH COUNTY, FLORIDA
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 September 30, 2010
 (Per \$1,000 of Assessed Value)

Fiscal Year Ended Sept. 30	Direct Rates			Overlapping Rates						
	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	Total Countywide
2001	4.6000	0.3362	4.9362	8.9180	0.6970	0.0410	0.5000	1.0250	11.1810	16.1172
2002	4.5500	0.3851	4.9351	8.9480	0.6970	0.0385	0.5703	1.1500	11.4038	16.3389
2003	4.5000	0.3084	4.8084	8.7790	0.6970	0.0385	0.6228	1.1300	11.2673	16.0757
2004	4.5000	0.2910	4.7910	8.5710	0.6970	0.0385	0.6902	1.1300	11.1267	15.9177
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
2009	3.7811	0.1845	3.9656	7.2510	0.6240	0.0345	0.6009	0.9975	9.5079	13.4735
2010	4.3440	0.2174	4.5614	7.9830	0.6240	0.0345	0.6898	1.1451	10.4764	15.0378

Note: Certain amounts restated for FY'01 - FY'04 to account for additional information.

TABLE IX
 PALM BEACH COUNTY, FLORIDA
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 September 30, 2010

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
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
2009	890,906,615	29,693,804	861,212,811	850,038,302	98.7	5,722,794	855,761,096	99.4
2010	898,787,811	30,228,928	868,558,883	849,830,375	97.8	11,147,578	860,977,953	99.1

Source: Palm Beach County Tax Collector's Office



TABLE X
Non-Ad Valorem Revenue
Last Ten Fiscal Years
September 30, 2010

Fiscal Year Ended Sept. 30	2010	2009 (5)	2008	2007
Charges for Other Services	\$ 87,470,077	\$ 81,137,945	\$ 49,967,579	\$ 47,855,195
Half-Cent Sales Tax	64,268,115	64,658,133	72,375,457	76,120,744
Interest	34,017,118	29,913,714	34,257,321	38,635,994
Electric Franchise Tax	33,837,191	29,662,838	25,042,044	25,495,545
Utility Service Tax (3)	26,413,522	57,833,423	30,543,325	29,824,203
Communications Service Tax (3)	25,645,070	26,446,677	28,992,767	29,489,576
State Revenue Sharing	21,985,390	22,072,684	24,757,350	26,814,892
Excess Fees - Sheriff (4)	16,465,716	13,524,257	7,697,452	10,290,391
Reimburse of Indirect Costs	15,912,878	14,277,742	13,357,131	12,222,067
Miscellaneous	15,635,667	17,192,263	23,109,714	34,917,301
Parks & Recreation Fees	12,631,848	12,559,968	12,311,308	10,555,850
Licenses & Permits	6,335,079	3,218,454	5,965,537	6,205,700
Available Tourist Development Tax	5,375,253	5,609,587	5,562,744	5,672,139
County Officer's Fees	4,643,837	4,469,298	2,750,190	2,233,823
Animal Regulation Fees	2,751,155	3,107,008	2,802,393	2,299,257
Fines and Forfeitures	2,642,680	855,558	1,979,045	2,206,725
Excess Fees - Supervisor of Elections (1) (4)	1,760,663	2,337,136	1,481,382	651,827
Excess Fees - Clerk & Comptroller (4)	1,415,897	492,167	503,679	2,785,224
Parking Revenue	373,136	353,503	213,747	270,741
Cable TV Franchise Tax (2)	-	-	-	-
Excess Fees - Property Appraiser (4)	-	-	-	-
Excess Fees - Tax Collector (4)	-	-	-	-
TOTALS	\$ 379,580,292	\$ 389,722,355	\$ 343,670,165	\$ 364,547,194

- (1) In 2007, the Supervisor of Elections became a separate fiscal entity.
- (2) The local Cable TV Franchise Fee was replaced with a new statewide Telecommunications Service Tax in FY02 and is now 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. Beginning with 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) FY09 data was restated based on new information.

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.

	2006	2005	2004	2003	2002	2001
\$	37,429,716	\$ 31,166,150	\$ 30,867,264	\$ 29,437,466	\$ 28,273,977	\$ 24,538,155
	80,019,101	76,660,073	73,705,133	66,973,342	65,710,226	62,560,483
	28,689,237	12,433,189	12,338,681	11,170,042	21,357,264	30,858,008
	25,022,599	20,836,584	17,905,261	17,824,293	16,468,768	17,141,089
	28,882,669	28,074,005	27,196,819	28,314,364	28,094,173	40,891,114
	28,514,647	28,392,841	26,277,301	22,016,697	20,875,937	-
	27,881,333	26,153,737	25,040,944	22,917,694	22,283,583	21,728,736
	3,048,686	8,762,824	8,015,401	16,216,318	23,719,248	14,754,706
	11,583,034	11,820,470	9,823,540	9,315,887	8,725,494	8,343,573
	45,918,261	27,320,733	16,706,987	13,699,517	9,453,712	13,365,627
	11,033,646	9,882,421	9,474,905	9,477,537	8,578,510	8,578,105
	6,189,425	6,720,920	6,377,608	3,874,911	4,114,205	3,885,201
	5,882,141	5,629,094	4,962,054	4,332,524	3,037,109	2,242,294
	2,404,971	2,188,985	4,220,421	5,771,908	5,758,018	5,263,402
	2,467,856	2,662,967	2,510,009	2,541,806	2,252,860	1,987,077
	2,611,542	1,930,511	8,027,054	8,093,869	7,987,441	7,932,981
	-	-	-	-	-	-
	11,295,945	15,255,452	10,879,034	7,472,330	7,196,616	2,989,138
	254,324	260,879	296,471	362,934	377,930	405,201
	-	-	-	-	20,670	4,277,975
	-	-	-	-	1,669,863	1,516,192
	-	-	-	-	18,237,099	16,927,338
	<u>\$ 359,129,133</u>	<u>\$ 316,151,835</u>	<u>\$ 294,624,887</u>	<u>\$ 279,813,439</u>	<u>\$ 304,192,703</u>	<u>\$ 290,186,395</u>

DEBT CAPACITY INFORMATION

TABLE XI
 PALM BEACH COUNTY, FLORIDA
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 September 30, 2010
 (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			
2001	\$ 267,485	\$ 417,090	\$ 44,852	\$ 726	\$ 592,415	\$ 15,053	\$ -	\$ 1,337,621	2.62	% \$ 1,159
2002	253,845	400,980	66,882	338	593,185	7,766	-	1,322,996	2.49	1,118
2003	292,745	379,275	58,893	155	592,020	9,031	-	1,332,119	2.46	1,100
2004	275,905	448,170	71,419	25	551,285	1,202	-	1,348,006	2.22	1,085
2005	283,885	634,471	73,248	34	506,425	39,066	-	1,537,129	2.35	1,214
2006	336,020	597,660	94,871	43	637,745	7,654	-	1,673,993	2.33	1,300
2007	313,515	573,910	129,057	11	591,245	250	-	1,607,988	2.15	1,242
2008	290,410	882,004	75,494	7	540,533	80,000	-	1,868,448	2.52	1,443
2009	270,150	924,052	41,327	3	947,943	76,000	-	2,259,475	N/A	1,755
2010	250,470	877,633	30,317	-	854,243	72,000	-	2,084,663	N/A	1,620

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 FY09 & FY10
 (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, 2010
(dollars in thousands, except per capita)

Fiscal Year Ended Sept. 30	General Obligation Bonds Outstanding (1)	Total Property Assessed Value (2)	G.O. Bonds Outstanding as a Percentage of Total Property Assessed Value	County Population (3)	G.O. Bonds Outstanding Per Capita
2001	\$ 267,485	\$ 94,595,570	0.28%	1,154,464	\$ 231.70
2002	253,845	103,636,968	0.24%	1,183,197	214.54
2003	292,745	114,729,650	0.26%	1,211,448	241.65
2004	275,905	128,430,840	0.21%	1,242,270	222.10
2005	283,885	148,876,692	0.19%	1,265,900	224.26
2006	336,020	182,194,149	0.18%	1,287,987	260.89
2007	313,515	191,826,739	0.16%	1,295,033	242.09
2008	290,410	191,249,945	0.15%	1,294,654	224.31
2009	270,150	171,643,979	0.16%	1,287,344	209.85
2010	250,470	156,141,438	0.16%	1,286,461	194.70

Note: (1) See Table XI for General Obligation (G.O.) Bonds and Other Debt
 (2) See Table VI for Total Property Assessed Value
 prior year amounts have been revised based on additional information received
 (3) See Table XVI for County Population

TABLE XIII
 PALM BEACH COUNTY, FLORIDA
 Direct and Overlapping Governmental Activities Debt
 September 30, 2010
 (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 Property Assessed Value	Estimated Share of Overlapping Debt	Debt Outstanding	Estimated Percentage Applicable based on Population	Estimated Share of Overlapping Debt	
Overlapping debt							
School District	\$ 29,555	100%	\$ 29,555	\$ 1,915,848	100%	\$ 1,915,848	\$1,945,403
South Florida Water Management District	-	100%	-	520,060	100%	520,060	520,060
Municipalities	<u>134,010</u>	47%	<u>62,985</u>	<u>653,909</u>	56%	<u>366,189</u>	<u>429,174</u>
Subtotal, overlapping debt	<u>\$ 163,565</u>		92,540	<u>\$ 3,089,817</u>		2,802,097	2,894,637
Direct debt			<u>250,470</u>			<u>907,950</u>	<u>1,158,420</u>
Total direct and overlapping debt			<u>\$ 343,010</u>			<u>\$ 3,710,047</u>	<u>\$4,053,057</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, 2010

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, 2010
(dollars in thousands)

Fiscal Year Ended Sept. 30	Non-Ad Valorem Indebtedness (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			
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	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	40,002	13,955	8,376	22,331	1.79	
2009 (3)	55,496	40,740	389,722	4.05	140,118	89,241	50,877	14,568	8,377	22,945	2.22	
2010	58,601	43,510	379,580	3.72	152,156	90,889	61,267	11,053	10,517	21,570	2.84	

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) the 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, 2010, if the County had used the higher rate of 12% per annum for variable rate debt, the times coverage would be 3.59.
- (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) Based on the inclusion of certain additional non-ad valorem revenues in FY10, total non-ad valorem revenues for FY09 were restated for comparative purposes.

DEMOGRAPHIC AND ECONOMIC INFORMATION

TABLE XVI
 PALM BEACH COUNTY, FLORIDA
 Demographic and Economic Statistics
 Last Ten Fiscal Years
 September 30, 2010

Year	Population	Personal Income	Per Capita Personal Income	Civilian Labor Force	Unemployment Rates
2001	1,154,464	\$ 50,957,703	\$ 44,016	541,377	5.9 %
2002	1,183,197	53,158,991	44,832	553,833	6.4
2003	1,211,448	54,088,022	44,740	590,677	6.2
2004	1,242,270	60,762,224	48,994	598,785	5.7
2005	1,265,900	65,287,476	51,694	622,443	4.1
2006	1,287,987	71,721,487	56,665	645,211	3.7
2007	1,295,033	74,917,140	59,240	650,548	4.8
2008	1,294,654	74,099,427	58,358	655,669	7.3
2009	1,287,344	N/A	N/A	626,400	11.7
2010	1,286,461	N/A	N/A	623,320	12.4

Source: Florida Legislature, Office of Economic and Demographic Research
 Florida Agency for Workforce Innovation, Labor Market Statistics Center,
 Local Area Unemployment Statistics Program, In cooperation
 with the U.S. Department of Labor, Bureau of Labor Statistics.

Note: Population and income data are per calendar year.
 Income data is not available for 2009 and 2010.
 Personal Income data and Per Capita Income data is revised annually.
 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

	2010 *			2001		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School Board	21,718	1	3.47%	18,000	1	3.32%
Palm Beach County Government	11,381	2	1.82%	9,000	2	1.66%
State Government	9,300	3	1.48%	8,600	3	1.59%
Federal Government	6,300	4	1.01%	5,200	4	0.96%
Tenet Healthcare Corp (2)	5,127	5	0.82%			-
Hospital Corporation of America (HCA) (1)	4,150	6	0.66%	4,000	5	0.74%
Florida Power & Light Company (FPL)	3,658	7	0.58%	2,300	T-8	0.42%
Wackenhut Corporation	3,000	8	0.48%			-
Florida Atlantic University	2,776	9	0.44%			-
Bethesda Memorial Hospital	2,300	10	0.37%			-
Florida Crystals	-		-	2,300	T-8	0.42%
Intracoastal Health Systems, Inc. (2)	-		-	3,200	6	0.59%
Applied Cards	-		-	2,500	7	0.46%
Boca Raton Resort & Club	-		-	1,850	10	0.34%
Total	69,710		11.13%	56,950		10.50%

* Data as of March 2010

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.

OPERATING INFORMATION

TABLE XVIII
PALM BEACH COUNTY
County Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Employees as of September 30,									
	2010	2009*	2008	2007	2006	2005	2004	2003	2002	2001
General government										
Facilities Development & Operations	330	358	386	392	370	357	346	349	350	350
Planning, Zoning & Building	278	333	400	401	393	389	389	390	380	368
Clerk & Comptroller	691	729	821	803	750	713	731	748	733	734
Property Appraiser	266	280	280	280	276	272	268	261	257	247
Tax Collector	269	269	269	280	284	284	288	288	288	288
Supervisor of Elections	42	45	45	45	41	39	39	36	35	32
Other	642	454	470	489	475	477	499	499	499	499
Public safety										
Fire-Rescue	1,542	1,473	1,471	1,418	1,298	1,239	1,172	1,114	1,044	1,004
Sheriff	4,011	3,848	3,812	3,615	3,502	3,322	3,210	3,115	3,026	2,928
Other	341	349	372	368	342	335	275	265	255	249
Physical environment										
Environmental Resources Management	130	130	136	140	132	127	123	116	112	106
County Cooperative Extension Service	32	36	39	39	39	40	38	38	37	39
Transportation										
Palm Tran	548	555	570	570	561	545	539	527	512	496
Engineering & Public Works	324	337	344	352	346	343	338	328	318	314
Economic environment										
Housing & Community Development	41	53	53	49	44	44	42	42	39	41
Other	55	57	60	60	61	62	60	50	51	47
Human services										
Community services	461	471	469	475	478	468	468	468	453	426
Other	15	15	15	16	15	14	14	14	13	12
Culture & recreation										
Parks & Recreation	624	657	699	720	698	634	619	595	554	526
County Libraries	452	452	481	416	394	384	377	369	361	354
Internal service funds										
Information System Services (2)	-	211	225	231	229	223	211	180	176	173
Graphics (1)	-	-	9	9	10	9	9	9	9	9
Fleet Management	64	70	72	69	69	68	68	65	64	64
Risk Management	32	36	37	37	37	36	36	36	36	36
Enterprise funds										
Airports	158	161	159	150	151	151	148	143	138	137
Water Utilities	561	505	518	499	440	433	427	423	416	416
Solid Waste Authority	437	439	439	432	422	413	413	413	413	414
Total	12,346	12,323	12,651	12,355	11,857	11,421	11,147	10,881	10,569	10,309

* Fiscal Years 2001 - 2008 reflect Full-time Equivalents, beginning in Fiscal Year 2009, reflects number of positions
(1) Effective beginning with FY 2009, Graphics is now included in the General Fund under "General government - Other"
(2) Effective beginning with FY 2010, ISS is now included in the General Fund under "General government - Other"

Source: Office of Financial Management and Budget

TABLE XIX
PALM BEACH COUNTY
Operating Indicators by Function/Program
Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Planning, Zoning & Building										
Code enforcement violations	5,703	3,369	3,507	4,464	4,571	2,195	5,073	5,073	6,013	N/A
Construction plans reviewed	21,080	25,332	37,702	65,691	59,288	31,300	42,213	42,213	41,859	44,583
Permits issued	32,867	42,944	53,964	70,751	62,304	30,600	78,379	78,379	49,486	53,037
Public safety										
Fire-Rescue										
Response time	6:30	6:36	N/A	6:27	6:23	6:27	6:31	6:31	6:39	6:39
Fire responses	16,067	16,831	20,714	23,536	22,295	24,835	23,065	24,352	23,319	22,274
Medical responses	89,646	87,099	82,199	76,517	74,706	72,691	67,094	64,729	61,056	56,910
Inspections	27,013	27,044	25,475	22,281	20,079	18,630	16,936	15,632	14,195	11,913
Physical environment										
Environmental Resource Management										
Tonnage of artificial reef materials	10,000	1,650	3,150	4,900	23,484	35,900	23,300	3,000	15,270	16,500
Trees and plants planted or arranged	55,000	321,000	60,000	41,100	54,500	105,300	20,800	24,400	82,434	19,000
Cubic yards beach sand (thousands)	1,360	1,150	1,050	1,087	1,016	1,000	1,301	1,301	1,301	758
Transportation										
Palm Tran										
Passengers (millions)	10.0	9.8	10.1	9.3	8.3	7.5	7.1	6.3	5.8	6.2
Engineering & Public Works										
Land development permits issued	6	11	15	12	26	30	50	30	49	34
Lane miles of roads maintained	3,432	3,295	3,299	3,431	3,299	3,291	3,193	3,171	2,960	2,960
Lane miles resurfaced	52	53	45	35	50	86	62	77	91	64
Linear feet of roadway striped (millions)	1.0	1.8	1.1	0.8	1.4	1.7	1.5	1.2	2.2	1.2
Permits issued for construction of: right-of-ways, drainage and utilities	493	616	495	569	554	622	655	645	642	594
Economic environment										
Housing & Community Development										
Single-family new construction	0	25	60	2	0	29	8	8	12	12
Human services										
Children receiving health services	N/A	2,323	2,158	2,126	2,068	1,958	2,199	1,849	1,772	1,969
Children with disabilities	359	295	292	223	232	228	281	193	177	152
Meals - Head Start (thousands)	526	517	461	488	460	756	682	915	425	672
Culture & recreation										
Parks & Recreation										
Golf rounds played (thousands)	179	178	169	142	145	152	154	148	N/A	129
County Library										
Circulation (millions)	8.3	7.5	6.6	5.8	6.0	6.0	5.7	5.7	5.3	5.1
Cardholders (thousands)	535	517	499	486	477	469	459	451	445	439
Internal service funds										
Information System Services										
%CSRs on time - Applications	85%	83%	82%	93%	92%	86%	85%	84%	84%	81%
Graphics										
% timely delivery	99%	99%	99%	98%	99%	99%	99%	99%	99%	100%
Risk Management										
# of employees enrolled in Health ins	4,776	5,388	5,297	4,191	4,250	3,900	3,800	3,524	N/A	N/A
# of employees enrolled in Dental ins	3,643	3,295	3,298	3,122	3,125	3,100	2,893	2,893	N/A	N/A
Enterprise funds										
Water Utilities										
Average water dwelling units served (thousands)	223	221	219	207	197	186	181	181	174	164
Average wastewater treated per day (millions of gallons)	37.1	34.1	33.4	35.7	36.1	33.2	32.4	31.9	30.7	30.5
Airports										
Total passengers (millions)	5.9	6.6	7.0	6.8	7.0	6.4	5.9	5.4	6.1	5.8
Operating expense per passenger (prior years restated)	\$7.78	\$6.74	\$5.84	\$5.84	\$5.41	\$5.59	\$5.81	\$5.98	\$4.82	\$4.60
Operating revenue per passenger (prior years restated)	\$10.79	\$9.72	\$9.43	\$9.44	\$8.73	\$8.23	\$8.08	\$8.26	\$7.95	\$8.62

N/A = Not available

Sources: Office of Financial Management and Budget
Department of Airports

Note: 2010 data is not yet available.

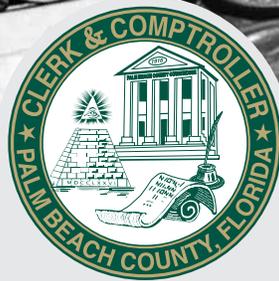
TABLE XX
PALM BEACH COUNTY
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public safety										
Fire Rescue										
Fire Stations	49	47	45	44	43	40	40	40	39	35
Transportation										
Palm Tran										
Buses	158	161	154	176	160	140	140	139	139	139
Engineering & Public Works										
County Roads (mileage)	N/A	1,288	1,285	1,297	1,294	1,295	1,295	1,361	1,361	1,361
Traffic Lights	1,192	1,289	1,150	1,160	1,120	1,095	1,104	1,045	1,045	1,021
Culture & recreation										
Parks & Recreation										
Developed acres	5,702	5,074	5,067	5,134	4,817	4,195	3,798	3,786	3,714	3,579
Enterprise funds										
Water Utilities *										
Water mains (miles)	2,121	2,126	2,162	2,081	2,064	1,880	1,784	1,666	1,515	1,423
Storage and repump stations	17	17	17	18	10	11	11	12	3	3
Fire hydrants	16,235	16,066	15,866	15,630	14,834	13,396	12,517	12,013	11,760	10,981
Sewers (miles)	1,152	1,145	1,142	1,132	1,103	953	963	955	868	824
Pump stations	764	767	764	762	750	692	674	650	635	623

N/A = Not Available

* 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