



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Palm Beach County, Florida
Fiscal Year Ended September 30, 2011



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. The Clerk also protects the County's most vulnerable citizens through the auditing of Guardianships conducted by its Inspector General division, and a Guardianship Fraud Hotline for citizens to report suspected financial exploitation or mismanagement.

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 22 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, 2011

**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, 2011

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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, 2012

To the residents of Palm Beach County, Florida and the
Honorable Shelley Vana, 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, 2011, 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, 2011, 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, 2011, were fairly presented in conformity with GAAP.

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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 (BOCC). 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 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, 2011, 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. Palm Tran 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, the Westgate/Belvedere Homes Community Redevelopment Agency, and the Solid Waste Authority 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 four percent increase in revenues in fiscal year 2012. This increase will accommodate the recent decline in non ad-valorem revenues in the tourism industry. There are more than 67,200 people

employed in jobs related to the tourism industry, with tourists contributing \$1.4 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 459,865 acres dedicated to agriculture represent 36 percent of the County's total land mass. It ranks third in Florida in nursery production with estimated sales at \$279 million, and leads the state in agricultural wages and salary with over \$341 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.

Bioscience – Scripps Research Institute and the Max Planck Florida Institute are anchors to an eight million square foot Bioscience Cluster in Northern Palm Beach County. A "cluster" of related bio-technology businesses will form a hub to strengthen the County's position as a leader in this industry. A number of smaller bio-related companies have either expanded or moved to the County.

Construction – During FY 2011, the trend in total valuation of permitting activity remained constant in comparison with FY 2010. However, due to FY 2011 permits falling under the recently adjusted rates, as opposed to a proportion falling in FY 2010, permit fee revenue have notably increased. In residential construction, there were 875 single permit starts and 17 multi-unit permit starts, compared to 834 and 52, respectively, in FY 2010. Total value for these residential permit starts were \$238.1 million, reflecting similar values to the \$238.5 million seen in FY 2010. However, over 400 multi-family units are currently in the process of being permitted, which are mostly workforce housing grant recipients that must make specific progress prior to the end of the calendar year. Non-residential work showed what might be considered an artificial downward movement, with the permitted value of new construction in FY 2011 being \$96.3 million compared to \$144 million in FY 2010, a decrease of 33%. This downward trend was the result of a single large hospital project last year increasing the non-residential valuations by \$68 million. Excluding the single project the non-residential valuations for FY 2011 would represent an increase of 27% above the previous year.

LONG-TERM FINANCIAL PLANNING

The BOCC adopted a millage rate of 4.75 mills (excluding debt service) for FY 2011. Balancing the budget was challenging and required difficult funding decisions. This was accomplished by a careful review of County operations and capital project requirements. Decreases in annual revenues were offset by cuts and one-time funding such as reducing reserves and using investment earnings on debt proceeds for annual debt service payments.

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 will include undesignated reserves (reserve for balance brought forward and contingency) in an amount which, when combined with the statutory reserve is between 10% and 15% of net budgeted expenditures and transfers for these funds.

Undesignated reserves for the countywide, tax equivalent funds for FY 2011 are 8% of the budget for those funds. The availability of reserves for use in a financial emergency is one indication that a government is financially strong. Reserves provide the flexibility to fund special opportunities and emergencies and are a key consideration when rating agencies evaluate future borrowings. The County – one of only 22 in the country – currently maintains AAA ratings from all three rating agencies.

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. On May 17, 2011, the original Office of Inspector General Ordinance 2009-0049 was repealed and a new ordinance was adopted. Ethics laws already in force for county government have expanded and now cover all 38 municipalities within Palm Beach County.

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.

Palm Beach County, along with Broward, Miami-Dade and Monroe counties were jointly recognized by the National Association of Counties (NACo) as co-recipients of the annual achievement award for shared efforts in implementing the Southeast Florida Regional Climate Change Compact (SFRCCC). NACo's annual achievement award program began in 1970 to recognize innovative county government programs. Awards are given in 21 different categories including environmental protection, children and youth, criminal justice, county administration, information technology and health. The SFRCCC was created following the October 2009 Southeast Florida Climate Leadership Summit to work collaboratively on the shared challenges of global climate change. The landmark agreement was fully ratified in January 2010 with the partner counties agreeing to work with federal and state agencies on climate-related policy issues, develop policies and a regional climate action plan, and participate in annual regional summits.

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. The first of three Homeless Resource Centers – primarily grant funded – is scheduled to open soon. Also, the County recently approved a new program whereby unspent interest earnings from Impact Fees can be used to offset Impact Fees for affordable housing projects.

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, 2010. This was the 22nd 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, 2010. 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 five 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, 2010. This was the 25th 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 with a large initial "S" and "B".

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

PALM BEACH COUNTY, FLORIDA
PRINCIPAL OFFICIALS
AS OF SEPTEMBER 30, 2011

BOARD OF COUNTY COMMISSIONERS

KAREN T. MARCUS
County Commission Chair
District #1

PAULETTE BURDICK
County Commissioner
District #2

BURT AARONSON
County Commissioner
District #5

SHELLEY VANA
County Commissioner
District #3

JESS R. SANTAMARIA
County Commissioner
District #6

STEVEN L. ABRAMS
County Commissioner
District #4

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

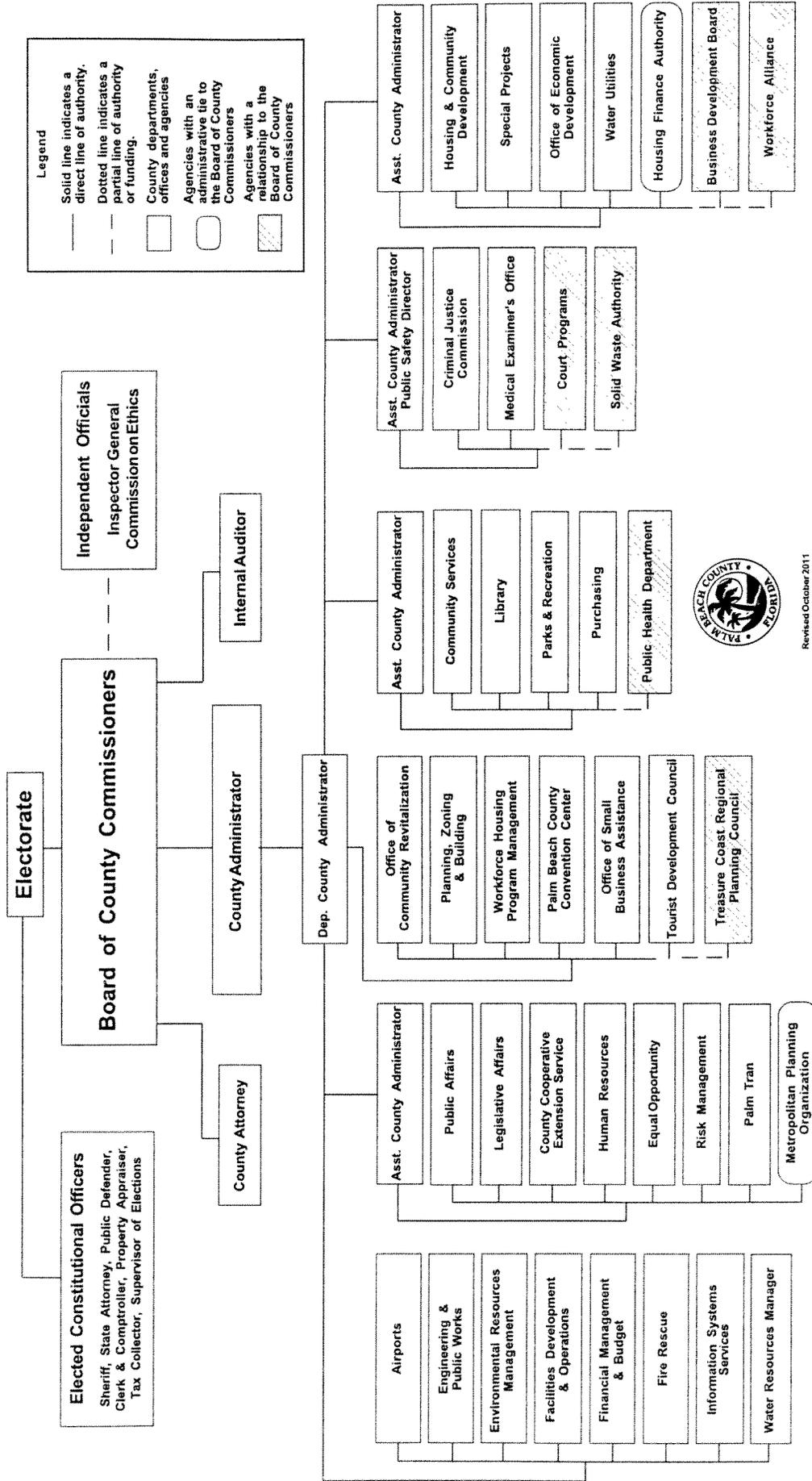
Susan Bucher
SUPERVISOR OF ELECTIONS

Gary R. Nikolits
PROPERTY APPRAISER

Anne Gannon
TAX COLLECTOR

Ric Bradshaw
SHERIFF

Palm Beach County Organizational Structure as of FY 2010-2011



Revised October 2011

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, 2010

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.



Linda C. Davison

President

Jeffrey R. Emer

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, 2011, 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, the Westgate Belvedere Homes Community Redevelopment Agency, and the Housing Finance Authority, discretely presented component units, which collectively represent 99% of the total assets and 99% 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 the 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, 2011, 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, 2012 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.

As discussed in Note 17 to the financial statements, the County adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No.54, *Accounting for Fund Balance Reporting and Governmental Fund Type Definitions*, during fiscal year 2011. The County also adopted Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity, Omnibus*, which amends accounting and financial reporting standards for including, presenting, and disclosing information about governmental component units, including equity interests.

The Management's Discussion and Analysis, the Budgetary Comparison Schedules – General Fund, Fire Rescue Special Revenue Fund and Community & Social Development 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, 2012

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, 2011. We encourage reading this narrative in conjunction with the additional information provided in the transmittal letter (beginning on page i) and the accompanying financial statements (beginning on page 2).

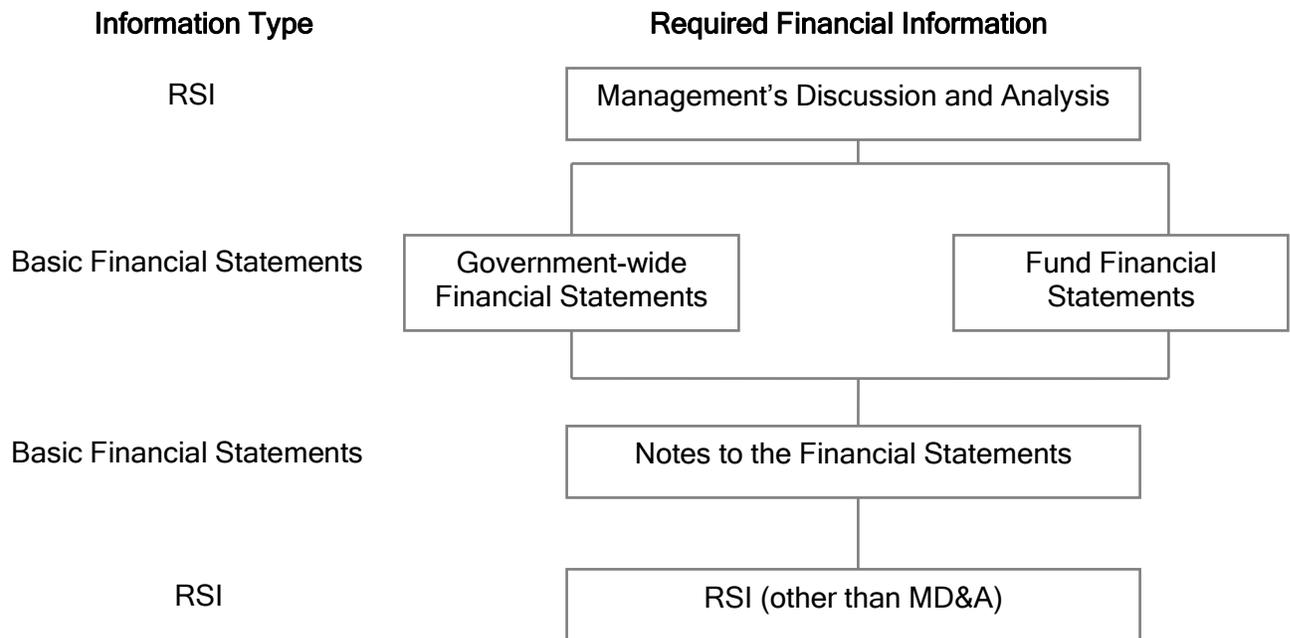
Financial Highlights

- The County's assets exceeded its liabilities (net assets) by approximately \$3.634 billion and \$3.596 billion at the close of fiscal years 2011 and 2010, respectively. Of these amounts, \$2.446 billion and \$2.416 billion were invested in capital assets, net of related debt. In addition, \$676 million and \$848 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, \$512 million and \$332 million were available at year-end to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers.
- During the year, the County's net assets increased \$38 million, compared to a decrease of \$51 million during the previous fiscal year. Business-type activities increased \$37 million, and governmental activities increased by \$1 million. An important factor in the significant decrease during the previous fiscal year was the Water Utility Department's contribution to the Glades Utility Authority of \$56 million in capital assets.
- At September 30, 2011, the County's governmental funds reported a combined ending fund balance of \$1.148 billion, a decrease of \$109.3 million or 8.7% from the previous year.
- At September 30, 2011, the fund balance for the General Fund, including Constitutional Officers, was \$200.8 million which is an increase of \$7.3 million or 3.8% from the previous year.
- The County's two enterprise funds had a combined increase in net assets of \$36 million. The Department of Airports increase was \$16 million and the Water Utilities Department had an increase of \$20 million.
- The County's total liabilities at September 30, 2011 and 2010 were \$1.960 billion and \$2.059 billion, respectively.
- The County implemented in fiscal year 2011 the requirements of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The County also implemented in fiscal year 2011 the requirements of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. As a result, the Solid Waste Authority (SWA) is no longer considered part of the primary government.

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 and the Water Utilities Department.

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, the Westgate/Belvedere Homes Community Redevelopment Agency and the Solid Waste Authority. 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 and Water Utilities operations. Both 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, 2011 and 2010, the County's total net assets, or total assets less liabilities, were \$3.634 billion and \$3.596 billion, respectively. A significant portion of the County's net assets, \$2.446 billion or 67.3%, 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, 2011 and 2010, 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	
	2011	2010	2011	2010 **	2011	2010 **
Assets						
Current and other assets	\$ 1,446	\$ 1,568	\$ 380	\$ 353	\$ 1,826	\$ 1,921
Capital assets	2,500	2,442	1,268	1,292	3,768	3,734
Total assets	<u>3,946</u>	<u>4,010</u>	<u>1,648</u>	<u>1,645</u>	<u>5,594</u>	<u>5,655</u>
Liabilities						
Current	276	304	45	33	321	337
Long-term debt due in more than one year	1,318	1,355	321	367	1,639	1,722
Total liabilities	<u>1,594</u>	<u>1,659</u>	<u>366</u>	<u>400</u>	<u>1,960</u>	<u>2,059</u>
Net Assets						
Invested in capital assets, net of related debt	1,490	1,450	956	966	2,446	2,416
Restricted	595	775	81	73	676	848
Unrestricted	267	126	245	206	512	332
Total net assets	<u>\$ 2,352</u>	<u>\$ 2,351</u>	<u>\$ 1,282</u>	<u>\$ 1,245</u>	<u>\$ 3,634</u>	<u>\$ 3,596</u>

** Amounts have been restated for comparative purposes since SWA is no longer part of the primary government.

Governmental activities

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

- Current and other assets for Governmental activities decreased by \$122 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 \$58 million. Refer to the subsequent section on Capital assets for additional detail.
- The overall decrease in long-term debt for Governmental activities of \$37 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 \$1 million increase in the County's net assets during fiscal year 2011, as compared with a \$35 million decrease during the previous fiscal year. This year's \$1 million increase in net assets from governmental activities is primarily attributed to two factors:

Investment income decreased \$25 million or 34.7% from the previous fiscal year. The decrease was primarily the result of lower average portfolio balances throughout the year as well as lower market interest rates.

Physical environment expenses decreased \$15 million or 34.9% from the previous fiscal year. The decrease was primarily attributable to significant beach restoration and refurbishment costs incurred in fiscal year 2010 that were not incurred in fiscal year 2011.

Additional factors impacting governmental activities during fiscal year 2011 are described below.

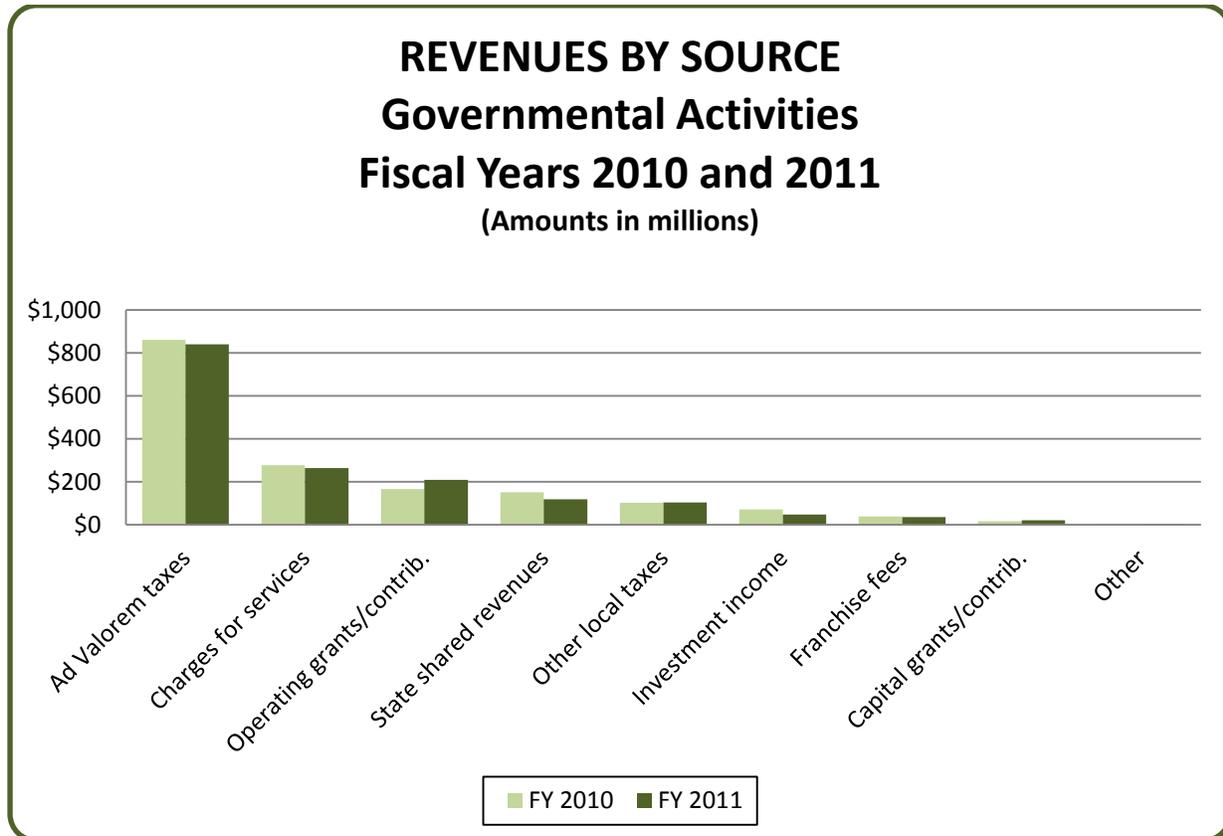
Ad valorem tax revenue decreased \$21 million or 2.4% from the previous fiscal year. In response to the current economic conditions, the Board of County Commissioners adopted a millage rate which resulted in reduced property taxes.

General government expenses decreased \$29 million or 7.8% from the previous fiscal year due in part to continued budget reduction strategies, including the elimination of 180 positions within the County.

Culture and recreation expenses decreased \$9 million or 7.2% from the previous fiscal year. This can be attributed in part to the elimination of several staff positions and continued reductions in utility usage.

Interest expense decreased \$3 million or 5.5% from the previous fiscal year due to lower debt service payments made in fiscal year 2011.

The County’s governmental activities had net expenses of \$1.147 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 greater than total expenses by \$3 million.



Business-type activities

The County’s business-type activities had total revenues of \$262 million and had total revenues in excess of total expenses of \$39 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 payments on long-term debt, which decreased \$46 million during fiscal year 2011.

Palm Beach County, Florida
Changes in Net Assets (in millions)

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2011	2010	2011	2010 **	2011	2010 **
Revenues						
Program Revenues:						
Charges for services	\$ 264	\$ 277	\$ 231	\$ 218	\$ 495	\$ 495
Operating grants and contributions	210	200	-	-	210	200
Capital grants and contributions	22	17	23	29	45	46
	496	494	254	247	750	741
General Revenues:						
Ad valorem taxes	840	861			840	861
Other local taxes	104	102			104	102
State shared revenues	119	118			119	118
Franchise fees	36	38			36	38
Investment income	47	72	8	7	55	79
Other	4	4	-	-	4	4
Total revenues	1,646	1,689	262	254	1,908	1,943
Expenses						
General government	342	371			342	371
Public safety	767	786			767	786
Physical environment	28	43			28	43
Transportation	154	156			154	156
Economic environment	81	81			81	81
Human services	103	106			103	106
Culture and recreation	116	125			116	125
Interest expense	52	55			52	55
Department of Airports			76	77	76	77
Water Utilities Department			147	138	147	138
Total expenses	1,643	1,723	223	215	1,866	1,938
Excess	3	(34)	39	39	42	5
Transfers In (Out)	(2)	(1)	2	1	-	-
Special Items	-	-	(4)	(56)	(4)	(56)
Change in net assets	1	(35)	37	(16)	38	(51)
Beginning net assets	2,351	2,386	1,245	1,261	3,596	3,647
Ending net assets	\$ 2,352	\$ 2,351	\$ 1,282	\$ 1,245	\$ 3,634	\$ 3,596

** Amounts have been restated for comparative purposes since SWA is no longer part of the primary government.

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.

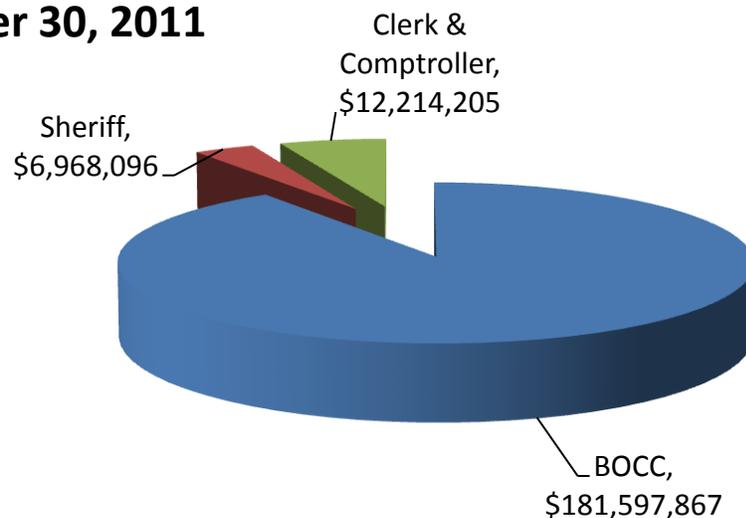
Changes in Fund Balance – Governmental Funds

- The increase in the General Fund's fund balance of \$7.3 million is attributable to overall revenues outpacing expenditures in the current year.
- The decrease in the Fire Rescue Special Revenue Fund of \$6.1 million is partially attributable to reduced tax revenue.
- The decrease in the Community and Social Development Special Revenue Fund of \$5.8 million is related to fewer grants provided by both the federal and state governments.
- The decrease of \$40.7 million in the General Government Capital Projects Fund is due to the spending of County capital projects funds.

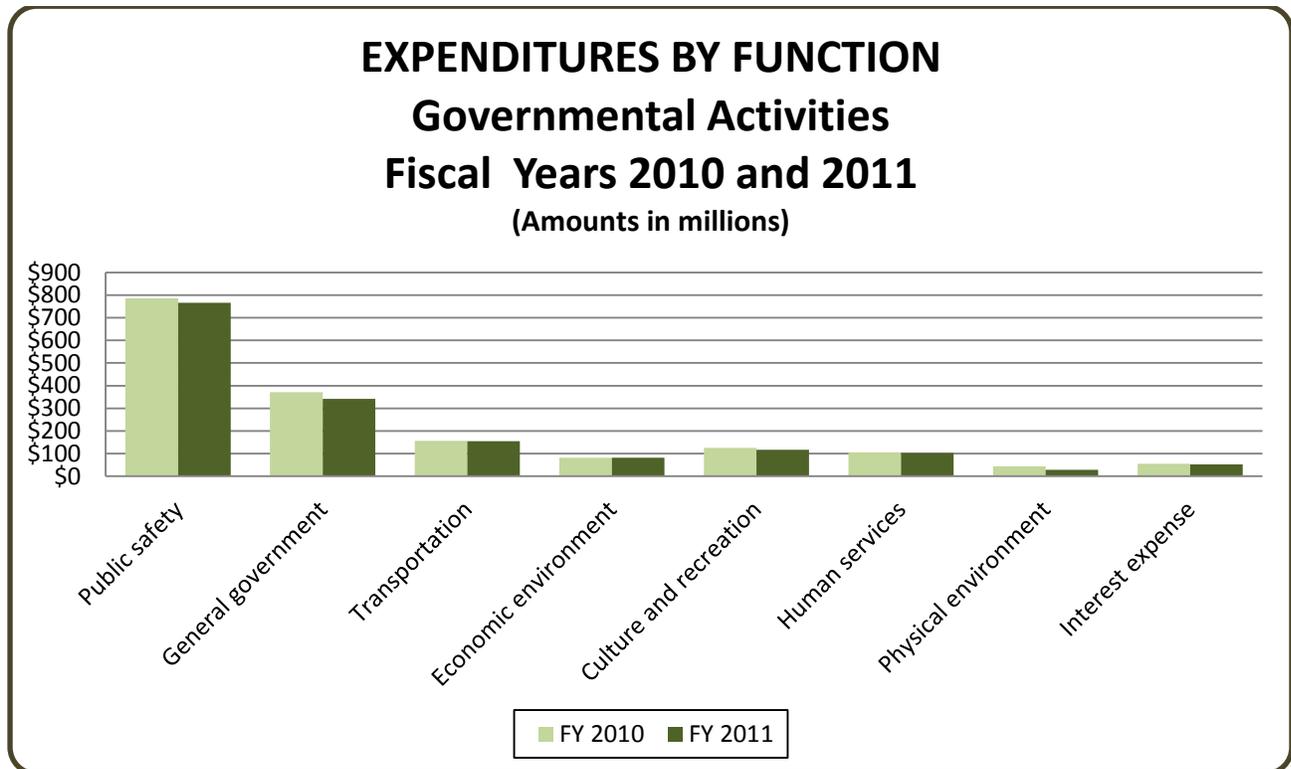
GENERAL FUND BALANCE BY CATEGORY

Total \$200,780,168

September 30, 2011



At September 30, 2011, the County’s governmental funds reported combined ending fund balances of \$1.148 billion, a decrease of \$109.3 million from the previous year. This decrease was the result of a combination of the \$4.5 million increase in the ending fund balance of the Road Program Capital Projects Fund; an increase in the General Fund of \$7.3 million; a decrease in the Fire Rescue Special Revenue Fund of \$6.0 million; a decrease in the Community & Social Development Special Revenue Fund of \$5.8 million; a decrease in the General Government Capital Project Fund of \$40.7 million; and a decrease in Other Governmental Funds of \$68.6 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 \$2.9 million (4.6%) to \$66.4 million. Airline rents increased by \$1.5 million, or 9%, over the prior year, mostly due to increased lease rates charged to airlines. Landing fees increased by \$600,000 (11%) as a result of increased airline rates as well. Other revenue categories showed increases except for parking and car rental concessions which were down 2% due to the lack of passenger growth.
- Operating expenses (excluding depreciation and amortization) decreased by \$2.1 million, or 4.7%, to \$42 million in fiscal year 2011. Cost cutting measures by the Department achieved savings in a number of areas including salaries and benefits (6% reduction) and the general and administrative category (11% reduction). During fiscal year 2011,

management chose not to fill several vacancies that occurred by attrition, some of which occurred due to the County's early retirement offers.

- 2011 Operating income after depreciation was a loss of \$1.6 million compared to a loss of \$5.7 million in 2010. Operating income before depreciation increased \$5 million, depreciation and amortization increased \$900,000. Investment income decreased due to lesser rates of return on investment.

Water Utilities Department:

- ◆ The Department's net assets increased by \$20.3 million, compared to a decrease of \$32.5 million in fiscal year 2010.
- ◆ Long-term debt (net of the current portion) decreased by \$16.4 million, or 7.8%, during the year.
- ◆ Operating revenues in fiscal year 2011 totaled \$151.5 million, an increase of \$9.9 million or 7.0%. Fiscal year 2011 included the effect of rate indexing, eight months revenue from operating the FPL reclaimed water system and a .4% increase in the customer base.
- ◆ Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled \$99.6 million, an increase of \$8.7 million or 9.6%.
- ◆ Non-operating income increased by \$2.0 million, or 500.0% in fiscal year 2011.
- ◆ The Department showed net income before contributions, transfers, and special item of \$13.0 million for fiscal year 2011, an increase of \$2.1 million or 19.3% from fiscal year 2010.

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 2011, supplemental appropriations to the Board of County Commissioners' budget excluding component units, were approximately \$201.8 million, or approximately 5.0% of the original adopted budget.

Differences between the original budget for fiscal year 2011 and the final amended budget for the General Fund can be summarized as follows:

- On April 5, 2011, 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 \$26.2 million adjustment to the reserves for balances forward in the General Government budget, established a \$6.2 million “Reserve for Tax Stabilization”, reduced the transfer to the Sales Tax Fund for debt service obligations in the amount of \$5 million, increased the transfer to the Capital Outlay Fund in the amount of \$.8 million, and the remaining \$.6 million for transfers for various Special Revenue, Capital Project, and general government expenses.
- The remaining amendments were primarily associated with new grants and carry forward of existing grant funds.

Budget to Actual Expenditures

- General Fund budgeted reserves had a balance at year-end of \$112.6 million, which represents 86% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into fiscal year 2012 and will be re-appropriated.
- The Tax Collector and Property Appraiser returned/under spent approximately \$400,000.
- 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 \$8.5 million.
- While State Revenue Sharing exceeded the budget in fiscal year 2011 by \$2.8 million, actual collections were only \$800,000 over the previous year.
- Sales tax collections exceeded the budget by \$6.5 million and were \$2.6 million above the previous year.
- Investment income fell short of budget by \$6.5 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 \$22.9 million, of which no amount was budgeted. The Clerk & Comptroller returned \$1.2 million in excess fees, \$.7 million more than the final budget.

Capital Assets and Debt Administration

Capital assets. The County’s capital assets for its governmental and business-type activities as of September 30, 2011, amounts to \$3.768 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 2011 was 1.0% (a 2.3% increase for governmental activities and a 1.9% decrease 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	
	2011	2010	2011	2010 **	2011	2010 **
Primary Government:						
Land	\$ 739	\$ 741	\$ 114	\$ 112	\$ 853	\$ 853
Buildings & improvements	564	576	250	264	814	840
Improvements other than buildings	162	138	823	799	985	937
Equipment	194	192	27	34	221	226
Infrastructure	323	289	-	-	323	289
Intangible - easement rights	-	-	11	12	11	12
Leasehold interest	-	-	6	7	6	7
Goodwill	-	-	6	6	6	6
Construction in progress	518	506	31	58	549	564
TOTALS	\$ 2,500	\$ 2,442	\$ 1,268	\$ 1,292	\$ 3,768	\$ 3,734

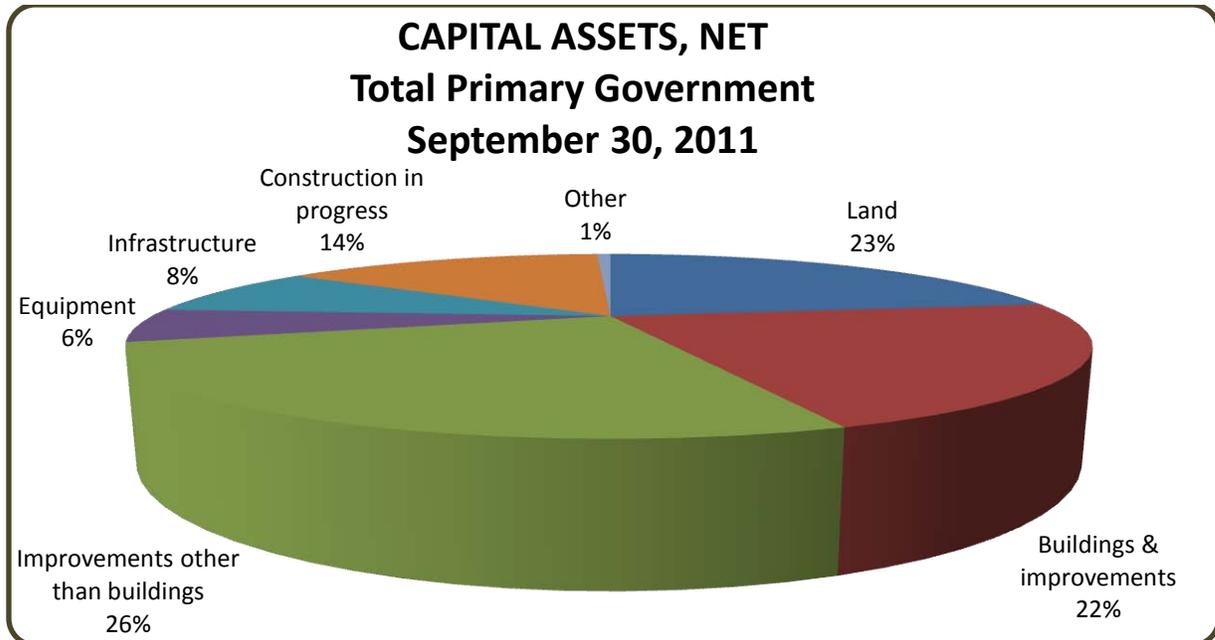
** Amounts have been restated for comparative purposes since SWA is no longer part of the primary government.

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

- Substantially completed projects during fiscal year 2011 included \$32.6 million for improvements to Okeechobee Boulevard east of Jog Road and \$7.9 million related to the North County Regional Library expansion.
- Governmental activities Net Capital assets increased overall by \$58 million due to acquisitions of \$24 million for improvements other than buildings, \$2 million in equipment, additions of \$34 million to infrastructure, and \$12 million added to

Construction in progress, offset by dispositions of land of \$2 million and buildings and improvements of \$12 million.

- Business-type activities Net Capital assets decreased overall by \$24 million, or 1.9% to \$1.268 billion.
- Major projects by the Water Utilities Department included the construction of new collection system piping Wellfield rehabilitation and expansion for \$14.2 million and improvements to the treatment process at Water Treatment Plant #2 for \$6.6 million.
- The Department of Airports expended \$14.6 million on capital activities. Completed projects during 2011 totaling \$19.9 million were transferred from construction-in-progress to their respective capital accounts. The major projects completed in fiscal year 2011 involved runway and taxiway improvements.



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

Long-term liabilities. At September 30, 2011, the primary government had 44 issues of bonded debt totaling \$1.434 billion. Of this amount, \$229 million comprises debt backed by the full faith and credit of the government, \$871 million is special obligation debt secured by dedicated revenue sources and \$334 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	
	2011	2010	2011	2010 **	2011	2010 **
General obligation bonds	\$ 229	\$ 251	\$ -	\$ -	\$ 229	\$ 251
Non-ad valorem revenue bonds	871	895	-	-	871	895
Revenue bonds	-	-	334	360	334	360
Notes and loans payable	36	30	-	-	36	30
Other obligations	302	295	6	7	308	302
TOTALS	\$ 1,438	\$ 1,471	\$ 340	\$ 367	\$ 1,778	\$ 1,838

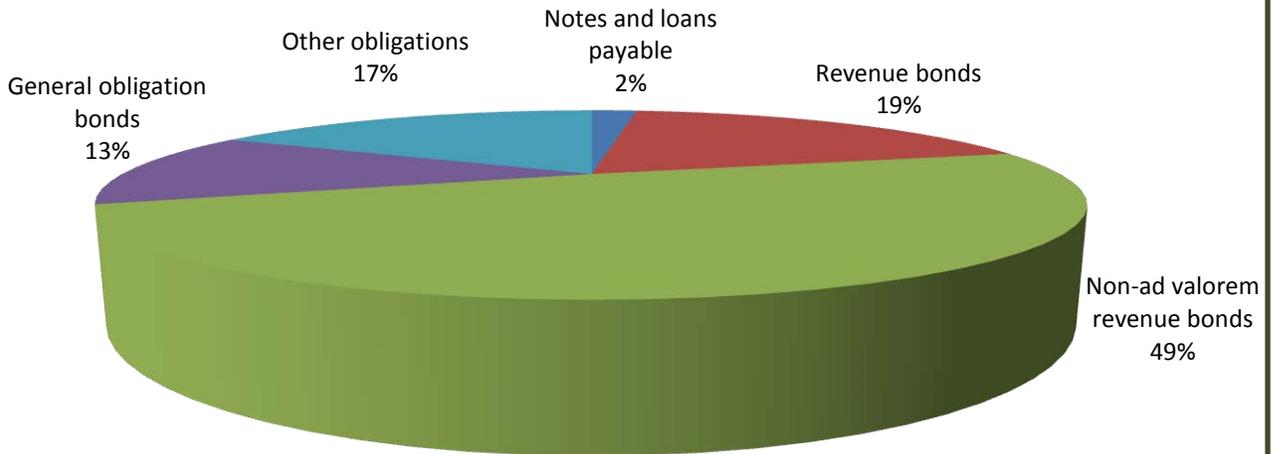
** Amounts have been restated for comparative purposes since SWA is no longer part of the primary government.

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, 2011, the County's non-ad valorem revenues were 3.63 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

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

LONG-TERM LIABILITIES
Total Primary Government
September 30, 2011



See Note 14, *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.

- The County’s population increased from 2010 to 2011. The 2010 Census figures shows that population increased from 1,320,134 in 2010 to 1,325,758 in 2011.
- The civilian labor force for Palm Beach County decreased from 623,320 at September 30, 2010 to 621,616 at September 30, 2011. However, the County’s unemployment rate decreased from 12.4% at September 30, 2010 to 10.9% at September 30, 2011.
- Gross property taxes levied for fiscal year 2011 decreased from \$898.8 million in 2010 to \$873.7 million for 2011, a decrease of \$25.1 million or 2.8%.
- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 10.8% 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 slightly from 1,573 in fiscal year 2010 to 1,583 in fiscal year 2011, an increase of .6%.
- West Palm Beach area existing home sales increased from 9,584 in 2010 to 11,900 in 2011, an increase of 24%. However, the median sales price for a single-family existing home in the West Palm Beach metropolitan area fell from \$228,900 to \$193,700 during 2011.
- Foreclosure filings in Palm Beach County fell from 19,840 in 2010 to 12,154 in 2011, a decrease of 39%.

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, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 803,143,130	\$ 189,996,724	\$ 993,139,854
Interest receivable	262,498	678,500	940,998
Accounts receivable - net	21,151,592	17,471,978	38,623,570
Internal Balances	(3,310,136)	3,310,136	-
Due from primary government	-	-	-
Due from other governments	69,848,692	3,514,292	73,362,984
Due from component units	118,103	-	118,103
Inventory	14,995,710	7,934,515	22,930,225
Other assets	5,868,315	1,323,338	7,191,653
Other receivable - noncurrent	19,736,959	16,380,050	36,117,009
Investment in joint ventures	-	50,996,980	50,996,980
Deferred debt issuance costs	8,600,660	3,105,377	11,706,037
Restricted cash, cash equivalents and investments	505,770,727	85,338,008	591,108,735
Capital assets			
Non-depreciable capital assets	1,257,430,885	144,649,663	1,402,080,548
Depreciable capital assets, net	1,242,112,798	1,123,791,771	2,365,904,569
Total assets	3,945,729,933	1,648,491,332	5,594,221,265
LIABILITIES			
Vouchers payable and accruals	81,283,378	9,421,423	90,704,801
Due to primary government	-	-	-
Due to other governments	14,676,859	2,242,637	16,919,496
Due to component units	8,629,912	-	8,629,912
Due to individuals	840,980	5,981,446	6,822,426
Accrued interest payable	16,523,416	8,295,971	24,819,387
Unearned revenue	23,885,981	405,967	24,291,948
Other current liabilities	9,317,470	-	9,317,470
Long-term liabilities			
Long-term liabilities due within one year	120,230,608	19,114,478	139,345,086
Long-term liabilities due more than one year	1,318,144,048	321,215,662	1,639,359,710
Total liabilities	1,593,532,652	366,677,584	1,960,210,236
NET ASSETS			
Invested in capital assets, net of related debt	1,489,989,254	956,542,617	2,446,531,871
Restricted for:			
Debt service	23,127,660	20,807,933	43,935,593
Capital projects	366,867,559	48,494,318	415,361,877
Library services	8,197,179	-	8,197,179
Fire rescue services	85,153,225	-	85,153,225
Tourist development programs	17,124,168	-	17,124,168
Grant programs	49,163,250	-	49,163,250
Environmental protection programs	11,719,090	-	11,719,090
Public safety and judicial programs	24,320,192	-	24,320,192
Other services and programs	9,883,533	11,124,476	21,008,009
Unrestricted	266,652,171	244,844,404	511,496,575
Total net assets	\$ 2,352,197,281	\$ 1,281,813,748	\$ 3,634,011,029

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	Solid Waste Authority
\$ 100	\$ 4,818,210	\$ 617,669	\$ 376,465,606
-	16,225	-	225,854
1,420	92,570	675,626	8,917,234
-	-	-	-
153,824	6,244,432	100,189	2,131,467
419,974	-	-	-
-	-	-	-
-	-	-	7,631,997
5,412	25,010	3,269,774	1,728,409
-	131,350	-	696,499
-	-	-	-
-	-	67,043	9,507,712
-	-	-	48,882,686
-	-	3,906,247	340,479,380
-	-	1,323,377	338,575,987
580,730	11,327,797	9,959,925	1,135,242,831
96,630	61,636	217,015	19,976,388
70,901	17,976	-	29,226
17,321	-	-	-
-	-	-	-
-	-	-	453,170
-	-	-	13,214,832
419,973	-	-	-
-	324,455	1,500	448,000
11,982	-	569,125	45,935,637
161,670	-	3,002,620	583,952,243
778,477	404,067	3,790,260	664,009,496
-	-	4,969,624	349,984,309
-	-	327,711	-
-	-	979,826	28,801,675
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	17,690,851
(197,747)	10,923,730	(107,496)	74,756,500
\$ (197,747)	\$ 10,923,730	\$ 6,169,665	\$ 471,233,335

PALM BEACH COUNTY, FLORIDA
Statement of Activities
For the fiscal year ended September 30, 2011

	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	\$ 361,124,789	\$ (19,302,596)	\$ 102,103,820	\$ 40,768,325	\$ 2,247,799
Public Safety	759,204,524	7,280,384	112,387,583	19,068,994	275,244
Physical Environment	28,162,354	-	6,499,713	9,182,529	1,647,944
Transportation	154,340,423	-	20,060,113	64,252,058	16,122,263
Economic Environment	81,068,340	325,583	3,058,264	31,322,924	-
Human Services	102,146,648	1,000,706	3,351,710	42,824,617	-
Culture and Recreation	112,168,007	4,220,958	16,699,485	2,273,018	1,752,522
Interest Expense	51,630,978	-	-	-	-
Total Governmental Activities	1,649,846,063	(6,474,965)	264,160,688	209,692,465	22,045,772
Business Activities					
Department of Airports	74,094,935	1,405,685	78,911,145	-	8,768,816
Water Utilities Department	142,268,208	4,963,071	152,312,882	-	13,687,041
Total Business Activities	216,363,143	6,368,756	231,224,027	-	22,455,857
Total Primary Government	\$ 1,866,209,206	\$ (106,209)	\$ 495,384,715	\$ 209,692,465	\$ 44,501,629
COMPONENT UNITS					
Metropolitan Planning Organization	\$ 1,558,067	\$ 106,209	\$ -	\$ 1,392,430	\$ -
Housing Finance Authority	487,710	-	452,480	414,128	-
Westgate/Belvedere CRA	1,590,187	-	-	-	-
Solid Waste Authority	194,862,745	-	239,357,450	1,144,260	2,110,077
Total Component Units	\$ 198,498,709	\$ 106,209	\$ 239,809,930	\$ 2,950,818	\$ 2,110,077

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
Gain on sale of capital assets
Transfers - net
Special item
Total general revenues, transfers and special item

Increase (decrease) in net assets
Beginning net assets (Restated)
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	Solid Waste Authority
					Community Redevelopment Agency	
\$ (196,702,249)	\$ -	\$ (196,702,249)	\$ -	\$ -	\$ -	\$ -
(634,753,087)	-	(634,753,087)	-	-	-	-
(10,832,168)	-	(10,832,168)	-	-	-	-
(53,905,989)	-	(53,905,989)	-	-	-	-
(47,012,735)	-	(47,012,735)	-	-	-	-
(56,971,027)	-	(56,971,027)	-	-	-	-
(95,663,940)	-	(95,663,940)	-	-	-	-
(51,630,978)	-	(51,630,978)	-	-	-	-
(1,147,472,173)	-	(1,147,472,173)	-	-	-	-
-	12,179,341	12,179,341	-	-	-	-
-	18,768,644	18,768,644	-	-	-	-
-	30,947,985	30,947,985	-	-	-	-
<u>\$ (1,147,472,173)</u>	<u>\$ 30,947,985</u>	<u>\$ (1,116,524,188)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (271,846)	\$ -	\$ -	\$ -
-	-	-	-	378,898	-	-
-	-	-	-	-	(1,590,187)	-
-	-	-	-	-	-	47,749,042
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (271,846)</u>	<u>\$ 378,898</u>	<u>\$ (1,590,187)</u>	<u>\$ 47,749,042</u>
\$ 839,684,057	\$ -	\$ 839,684,057	\$ -	\$ -	\$ 1,344,553	\$ -
33,947,339	-	33,947,339	-	-	-	-
44,603,467	-	44,603,467	-	-	-	-
25,480,495	-	25,480,495	-	-	-	-
66,826,717	-	66,826,717	-	-	-	-
36,350,282	-	36,350,282	-	-	-	-
52,288,454	-	52,288,454	-	-	-	-
47,432,115	8,271,098	55,703,213	-	-	2,100	-
2,073,844	-	2,073,844	-	-	1,418,978	-
2,001,396	-	2,001,396	-	-	-	-
(1,727,842)	1,727,842	-	-	-	-	-
-	(4,045,999)	(4,045,999)	-	-	-	-
<u>1,148,960,324</u>	<u>5,952,941</u>	<u>1,154,913,265</u>	<u>-</u>	<u>-</u>	<u>2,765,631</u>	<u>-</u>
1,488,151	36,900,926	38,389,077	(271,846)	378,898	1,175,444	47,749,042
<u>2,350,709,130</u>	<u>1,244,912,822</u>	<u>3,595,621,952</u>	<u>74,099</u>	<u>10,544,832</u>	<u>4,994,221</u>	<u>423,484,293</u>
<u>\$ 2,352,197,281</u>	<u>\$ 1,281,813,748</u>	<u>\$ 3,634,011,029</u>	<u>\$ (197,747)</u>	<u>\$ 10,923,730</u>	<u>\$ 6,169,665</u>	<u>\$ 471,233,335</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. The General Fund is subdivided into the following categories: Board of County Commissioners (BOCC), Sheriff, Clerk & Comptroller, Tax Collector, Property Appraiser and the Supervisor of Elections.

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

Community & Social Development Special Revenue Fund - To account for governmental grant funds and other revenues designated for community and social services.

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.

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

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.

PALM BEACH COUNTY, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2011

	MAJOR FUNDS		
	General Fund	Fire Rescue Special Revenue Fund	Community & Social Development Special Revenue Fund
ASSETS			
Cash and cash equivalents	\$ 243,848,434	\$ 120,159,451	\$ 197,807
Investments	101,307	-	-
Accounts receivable, net	10,830,775	1,487,356	522,921
Due from other county funds	30,827,816	2,523,521	7,145,742
Due from other governments	9,591,944	2,551,528	21,553,752
Due from component unit	45,623	-	-
Inventory	6,426,792	2,519,567	-
Other assets	186,008	75	-
Other receivable, noncurrent	7,753,941	-	8,433,018
Total assets	\$ 309,612,640	\$ 129,241,498	\$ 37,853,240
LIABILITIES			
Vouchers payable and accrued liabilities	\$ 31,782,232	\$ 8,861,731	\$ 4,419,729
Due to other county funds	22,292,382	154,500	16,130,947
Due to other governments	11,773,940	28,418	1,871,484
Due to component unit	8,525,460	-	100,188
Due to individuals	360,267	-	376,685
Insurance claims payable	1,521,953	-	-
Deferred and unearned revenue	23,269,457	-	17,387,295
Other liabilities	9,306,781	-	-
Total liabilities	108,832,472	9,044,649	40,286,328
FUND BALANCE			
Non-Spendable			
Inventory	6,426,792	2,519,567	-
Prepaid items	101,836	-	-
Spendable			
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Library services	-	-	-
Fire rescue services	-	117,677,282	-
Tourist development programs	-	-	-
Grant programs	-	-	1,423,345
Environmental protection programs	-	-	-
Public safety and judicial programs	15,615,345	-	-
Other services and programs	-	-	-
Assigned to:			
Debt service	-	-	-
Capital projects	-	-	-
Tourist development programs	-	-	-
Other services and programs	-	-	-
Unassigned	178,636,195	-	(3,856,433)
Total fund balance	200,780,168	120,196,849	(2,433,088)
Total liabilities and fund balance	\$ 309,612,640	\$ 129,241,498	\$ 37,853,240

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

Road Program Capital Projects	General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 360,015,326	\$ 133,838,986	\$ 355,747,869	\$ 1,213,807,873
-	-	-	101,307
750	3,054	6,186,511	19,031,367
1,386,683	292,327	12,739,817	54,915,906
13,930,776	376,960	21,454,032	69,458,992
-	-	69,133	114,756
-	-	4,319,641	13,266,000
-	-	661,195	847,278
-	-	3,550,000	19,736,959
\$ 375,333,535	\$ 134,511,327	\$ 404,728,198	\$ 1,391,280,438
\$ 6,376,448	\$ 10,897,662	\$ 14,890,777	\$ 77,228,579
1,413,813	23,896	18,013,375	58,028,913
1,623	-	1,001,343	14,676,808
-	-	4,264	8,629,912
-	-	1,000	737,952
-	-	-	1,521,953
11,041,624	91,683	21,773,104	73,563,163
-	-	10,689	9,317,470
18,833,508	11,013,241	55,694,552	243,704,750
-	-	4,319,641	13,266,000
-	-	55,145	156,981
-	-	30,360,622	30,360,622
269,068,603	47,349,967	170,716,660	487,135,230
-	-	10,551,286	10,551,286
-	-	-	117,677,282
-	-	17,131,240	17,131,240
-	-	46,811,142	48,234,487
-	-	11,667,340	11,667,340
-	-	12,489,725	28,105,070
-	-	11,088,650	11,088,650
-	-	661,655	661,655
87,431,424	76,148,119	20,168,132	183,747,675
-	-	4,143,188	4,143,188
-	-	13,296,055	13,296,055
-	-	(4,426,835)	170,352,927
356,500,027	123,498,086	349,033,646	1,147,575,688
\$ 375,333,535	\$ 134,511,327	\$ 404,728,198	\$ 1,391,280,438

PALM BEACH COUNTY, FLORIDA

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets - Governmental Activities
September 30, 2011

Fund balance for total of governmental funds (page 9)

Amounts reported for governmental activities in the statements of net assets are different because: \$ 1,147,575,688

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	\$ 75,888,841	
Less amount due to business-type activities for 'look-back' allocation	<u>(3,955,678)</u>	
		71,933,163

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	(226,545,000)	
Non-ad valorem bonds payable	(848,086,272)	
Notes and loans payable	(36,128,885)	
Compensated absences	(123,700,007)	
Net OPEB Obligation	(70,292,346)	
Claims and judgments	(31,583,607)	
Unamortized premium	(35,514,341)	
Arbitrage accrued	(8,656,542)	
Net Pension Obligation	(8,055,374)	
Termination benefits	(2,803,524)	
Deferred loss on refundings	<u>9,612,831</u>	
		(1,381,753,067)

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	1,257,430,885	
Depreciable capital assets, net of accumulated depreciation	<u>1,214,319,421</u>	
		2,471,750,306

Report other adjustments to convert from modified accrual to full accrual

Interest Receivable

Accrued interest receivable on special assessments is not reported in the governmental fund statements. 262,498

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. 674,266

Deferred Debt Issuance 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. 8,600,660

Accrued Interest Payable

Accrued Interest Payable that is not due and payable in the current period is not reported in the governmental fund statements. (16,523,416)

Deferred Revenue

Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements. 49,677,183

42,691,191

Net assets of governmental activities (page 2)

\$ 2,352,197,281



PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended September 30, 2011

	MAJOR FUNDS		
	General Fund	Fire Rescue Special Revenue Fund	Community & Social Development Special Revenue Fund
Revenues:			
Taxes (net of discount)	\$641,205,184	\$ 187,980,583	\$ -
Special assessments	-	275,244	-
Licenses and permits	34,873,049	6,500	-
Intergovernmental	129,720,649	653,249	69,456,378
Charges for services	195,876,057	32,465,802	689,638
Less - excess fees paid out	(39,568,304)	-	-
Fines and forfeitures	3,679,860	-	-
Investment income	8,285,916	5,368,578	633,029
Miscellaneous	7,987,815	326,941	1,249,007
Total revenues	982,060,226	227,076,897	72,028,052
Expenditures:			
Current:			
General government	253,817,326	-	-
Public safety	453,961,734	237,621,779	1,349,545
Physical environment	11,920,410	-	-
Transportation	4,639,421	-	130,823
Economic environment	23,546,214	566,465	36,501,063
Human services	48,513,051	-	52,791,855
Culture and recreation	52,820,218	-	-
Capital outlay	17,349,992	1,727,260	148,689
Debt service	-	-	369,203
Total expenditures	866,568,366	239,915,504	91,291,178
Excess of revenues over (under) expenditures	115,491,860	(12,838,607)	(19,263,126)
Other financing sources (uses):			
Transfers in	19,849,019	6,958,553	13,372,109
Transfers out	(128,845,425)	(245,247)	(6,597,265)
Issuance of long-term debt	-	-	6,668,000
Issuance of refunding debt	-	-	-
Premium on refunding debt	-	-	-
Payment to escrow agent for refunding	-	-	-
Total other financing sources (uses)	(108,996,406)	6,713,306	13,442,844
Net change in fund balances	6,495,454	(6,125,301)	(5,820,282)
Fund balances, October 1, 2010 (Restated)	193,460,683	126,171,365	3,387,194
Increase (decrease) in nonspendable fund balance	824,031	150,785	-
Fund balances, September 30, 2011	\$200,780,168	\$ 120,196,849	\$ (2,433,088)

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

Road Program Capital Projects	General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 16,788,040	\$ 460	\$ 123,611,528	\$ 969,585,795
5,591,669	368,038	8,029,606	14,264,557
-	-	15,833,385	50,712,934
16,744,573	7,035,380	65,555,150	289,165,379
-	193,218	29,792,016	259,016,731
-	-	-	(39,568,304)
-	1,121,283	3,303,120	8,104,263
11,844,664	4,414,118	13,718,009	44,264,314
1,714,236	1,234,981	7,493,596	20,006,576
52,683,182	14,367,478	267,336,410	1,615,552,245
750,217	56,838,692	8,998,182	320,404,417
-	13,908	20,077,077	713,024,043
-	2,997,470	12,318,978	27,236,858
6,138,931	510,273	109,200,724	120,620,172
-	195,992	20,579,716	81,389,450
-	-	854,065	102,158,971
-	-	47,296,482	100,116,700
47,197,809	12,616,424	86,068,767	165,108,941
76,746	-	138,670,112	139,116,061
54,163,703	73,172,759	444,064,103	1,769,175,613
(1,480,521)	(58,805,281)	(176,727,693)	(153,623,368)
814,000	30,643,363	131,236,083	202,873,127
(25,485,407)	(12,619,150)	(29,048,108)	(202,840,602)
30,691,407	-	-	37,359,407
-	-	91,475,000	91,475,000
-	-	14,763,603	14,763,603
-	-	(99,819,373)	(99,819,373)
6,020,000	18,024,213	108,607,205	43,811,162
4,539,479	(40,781,068)	(68,120,488)	(109,812,206)
351,960,548	164,279,154	417,619,665	1,256,878,609
-	-	(465,531)	509,285
\$ 356,500,027	\$ 123,498,086	\$ 349,033,646	\$ 1,147,575,688

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, 2011

Net increase (decrease) in fund balances for total governmental funds (page 13)

Amounts reported for governmental activities in the statements of activities are different because: \$ (109,812,206)

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	\$	11,313,250	
Plus current year allocation of internal service funds to business-type activities		721,923	
Plus current year allocation of internal service funds to component units		3,703	
			12,038,876

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.

Current year face value of debt issued (128,834,407)

Governmental funds report the premium and discount as other financing sources/uses when debt is issued, but in the statement of activities these amounts are amortized to interest expense over the term of the debt.

Current year (premium) discount on debt issued (14,763,603)
 Current year amortization & retirement of premium / discount 9,205,109

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 (922,528)
 Current year amortization of deferred refunding gain / loss (1,578,883)

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.

176,494,150

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		4,749,239	
(Increase) Decrease in Net OPEB Obligation		(19,358,291)	
(Increase) Decrease in estimated self-insurance obligation		2,885,891	
(Increase) Decrease in termination benefits		(1,037,020)	
(Increase) Decrease in Net Pension Obligation- Palm Tran		(5,301,996)	
(Increase) Decrease in compensated absences liability		3,612,854	

25,150,515

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, 2011

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.	165,646,530	
Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue.		2,292,475
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.	(110,885,926)	
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.	(2,330,076)	
		54,723,003

Report other adjustments for converting from modified accrual to full accrual

Net Increase (Decrease) in deferred issue costs:		
Current year debt issue costs deferred	757,736	
Current year amortization & retirement of deferred issue costs	(1,839,776)	
		(1,082,040)
Increase (Decrease) in inventory		509,285
Increase (Decrease) in accrued interest receivable		(17,162)
Increase (Decrease) in Net OPEB Obligation Asset		592,274
(Increase) Decrease in accrued interest payable		1,857,969
(Increase) Decrease in deferred revenue		17,527,637
		19,387,963

Increase (decrease) in net assets of governmental activities (page 5)	\$ 1,488,151
--	---------------------

PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2011

	Business-type Activities -	
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 46,663,231	\$ 124,313,421
Investments	-	19,020,072
Interest receivable - restricted	-	678,500
Accounts receivable, net	494,009	14,420,244
Due from other county funds	3,266	38,139
Due from other governments	2,724,371	789,921
Due from component unit	-	-
Inventory	1,182,020	6,752,495
Current portion of other receivables	127,182	799,638
Other assets	1,062,951	260,387
Total current assets	52,257,030	167,072,817
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	59,458,115	8,674,493
Cash with fiscal agent	17,205,400	-
Accounts receivable, net	1,630,905	-
Total noncurrent restricted assets	78,294,420	8,674,493
Capital assets:		
Land	99,145,316	14,886,536
Buildings	352,583,293	99,703,050
Improvements other than buildings	210,352,916	1,162,481,006
Furniture, fixtures and equipment	41,483,137	65,010,538
Leasehold interest	-	12,411,525
Goodwill	-	6,915,903
Intangible - easement rights	13,754,957	1,660,856
Accumulated depreciation and amortization	(351,554,589)	(491,010,821)
Construction in progress	15,346,497	15,271,314
Total capital assets	381,111,527	887,329,907
Investment in joint ventures	-	50,996,980
Other receivables, noncurrent	351,361	16,028,689
Deferred debt issuance costs	1,443,220	1,662,157
Total noncurrent assets	461,200,528	964,692,226
Total assets	\$ 513,457,558	\$ 1,131,765,043

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

<u>Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
Totals	
\$ 170,976,652	\$ 95,004,677
19,020,072	-
678,500	-
14,914,253	2,120,225
41,405	3,860,738
3,514,292	389,700
-	3,347
7,934,515	1,729,710
926,820	-
1,323,338	4,346,771
<u>219,329,847</u>	<u>107,455,168</u>
68,132,608	-
17,205,400	-
1,630,905	-
<u>86,968,913</u>	<u>-</u>
114,031,852	-
452,286,343	206,558
1,372,833,922	512,286
106,493,675	74,848,897
12,411,525	-
6,915,903	-
15,415,813	-
(842,565,410)	(47,774,364)
30,617,811	-
<u>1,268,441,434</u>	<u>27,793,377</u>
50,996,980	-
16,380,050	-
3,105,377	-
<u>1,425,892,754</u>	<u>27,793,377</u>
<u>\$ 1,645,222,601</u>	<u>\$ 135,248,545</u>

PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2011

	Business-type Activities -	
	Airports	Water Utilities
LIABILITIES		
Current liabilities payable from current assets:		
Vouchers payable and accrued liabilities	\$ 4,035,682	\$ 4,632,593
Due to other county funds	212,360	474,587
Due to other governments	447,521	1,795,116
Due to individuals	-	-
Unearned revenue	405,967	-
Current portion of long-term debt	56,996	180,157
Compensated absences	57,595	223,000
Insurance claims payable	-	-
Other liabilities	599,803	32,619
Total current liabilities payable from current assets	5,815,924	7,338,072
Current liabilities payable from restricted assets:		
Customers' deposits	167,918	5,813,528
Accounts and contracts payable	24,461	96,265
Due to other governments	-	283,730
Current portion of long-term debt	10,270,000	8,043,000
Interest payable on bonds	3,512,422	4,783,549
Total current liabilities payable from restricted assets	13,974,801	19,020,072
Total current liabilities	19,790,725	26,358,144
Noncurrent liabilities:		
Due to other governments	-	1,405,004
Compensated absences	1,054,240	2,825,340
Revenue bonds payable, net	121,565,310	193,994,216
Other long-term liabilities	106,450	265,102
Total noncurrent liabilities	122,726,000	198,489,662
Total liabilities	142,516,725	224,847,806
NET ASSETS		
Invested in capital assets, net of related debt	252,687,685	703,854,932
Restricted for:		
Debt service	12,764,933	8,043,000
Capital projects	47,494,318	1,000,000
Grants and other	10,624,476	500,000
Unrestricted	47,369,421	193,519,305
Total net assets	\$ 370,940,833	\$ 906,917,237

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 Activities Internal Service Funds
Totals	
\$ 8,668,275	\$ 4,054,799
686,947	102,189
2,242,637	51
-	103,028
405,967	-
237,153	73,178
280,595	-
-	12,737,923
632,422	-
<u>13,153,996</u>	<u>17,071,168</u>
5,981,446	-
120,726	-
283,730	-
18,313,000	-
8,295,971	-
<u>32,994,873</u>	<u>-</u>
<u>46,148,869</u>	<u>17,071,168</u>
1,405,004	-
3,879,580	-
315,559,526	-
371,552	42,288,536
<u>321,215,662</u>	<u>42,288,536</u>
<u>367,364,531</u>	<u>59,359,704</u>
956,542,617	27,793,377
20,807,933	-
48,494,318	-
11,124,476	-
240,888,726	48,095,464
1,277,858,070	<u>\$ 75,888,841</u>
3,955,678	
<u>\$ 1,281,813,748</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended September 30, 2011

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Operating revenues:		
Charges for services	\$ 63,660,881	\$ 146,522,511
Miscellaneous	2,748,628	5,039,362
Total operating revenues	66,409,509	151,561,873
Operating expenses:		
Aviation services	41,978,289	-
Water and sewer services	-	99,590,580
Transportation services	-	-
Self-insurance services	-	-
Equity interest in net loss of joint ventures	-	1,076,592
Depreciation and amortization	26,082,101	40,213,473
Total operating expenses	68,060,390	140,880,645
Operating income (loss)	(1,650,881)	10,681,228
Nonoperating revenues (expenses):		
Investment income	2,091,798	6,179,300
Guaranteed revenue	-	2,528,447
Passenger facility charges	12,135,734	-
Deferred issue costs	(552,719)	(215,045)
Interest expense	(7,024,844)	(6,859,111)
Other revenues (expenses)	365,902	751,009
Total nonoperating revenues (expenses)	7,015,871	2,384,600
Income (loss) before capital contributions, transfers, and special item	5,364,990	13,065,828
Capital contributions	10,462,416	11,158,594
Special item - contribution of cash and capital assets to Glades Utility Authority	-	(4,045,999)
Transfers in	-	71,875
Transfers out	(37,633)	-
Change in net assets	15,789,773	20,250,298
Net assets October 1, 2010	355,151,060	886,666,939
Net assets September 30, 2011	\$ 370,940,833	\$ 906,917,237

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 Activities Internal Service Funds
<u>Totals</u>	
\$ 210,183,392	\$ 116,778,270
7,787,990	-
<u>217,971,382</u>	<u>116,778,270</u>
41,978,289	-
99,590,580	-
-	23,518,907
-	79,445,862
1,076,592	-
<u>66,295,574</u>	<u>8,660,194</u>
<u>208,941,035</u>	<u>111,624,963</u>
<u>9,030,347</u>	<u>5,153,307</u>
8,271,098	3,108,126
2,528,447	-
12,135,734	-
(767,764)	-
(13,883,955)	-
<u>1,116,911</u>	<u>3,083,584</u>
<u>9,400,471</u>	<u>6,191,710</u>
18,430,818	11,345,017
21,621,010	35,000
(4,045,999)	-
71,875	-
<u>(37,633)</u>	<u>(66,767)</u>
36,040,071	11,313,250
	<u>64,575,591</u>
	<u>\$ 75,888,841</u>
860,855	
<u>\$ 36,900,926</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2011

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Cash flows from operating activities:		
Cash received from customers	\$ 67,857,271	\$ 147,828,565
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(14,570,786)	(50,797,906)
Cash payments to employees for services	(10,489,761)	(30,998,400)
Cash payments to other funds	(17,255,151)	(18,604,486)
Claims paid	-	-
Other receipts	323,083	5,594,172
Net cash provided by operating activities	25,864,656	53,021,945
Cash flows from noncapital financing activities:		
Cash contributed to other governments	-	(1,560,044)
Transfers in	-	71,875
Transfers out	(37,633)	-
Net cash (used in) noncapital financing activities	(37,633)	(1,488,169)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	42,819	318,327
Contributed capital	10,880,961	11,209,520
Purchase and construction of capital assets	(16,609,370)	(27,400,821)
Payments to joint ventures	-	(1,258,339)
Principal payments on debt	(7,975,000)	(10,410,000)
Interest payments on debt	(7,194,312)	(10,310,284)
Paying agent fees	-	(11,048)
Passenger facility charges received	12,169,673	-
Repayment of grants from asset sales	(310,000)	-
Cash for debt service from Florida Power and Light	-	2,631,384
Cash for bond call premium from Florida Power and Light	-	78,550
Revenue bonds refunded	-	(7,855,000)
Net cash (used in) capital and related financing activities	(8,995,229)	(43,007,711)
Cash flows from investing activities:		
Interest on investments	2,091,798	6,255,938
Investment arbitrage	4,161	-
Receipt of repayments on other receivables	120,174	-
Net cash provided by investing activities	2,216,133	6,255,938
Net increase (decrease) in cash and cash equivalents	19,047,927	14,782,003
Cash and cash equivalents, October 1, 2010	104,278,819	137,225,983
Cash and cash equivalents, September 30, 2011	\$ 123,326,746	\$ 152,007,986

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

<u>Enterprise Funds</u>	Governmental Activities Internal Service Funds
Totals	
\$ 215,685,836	\$ 12,312,401
-	106,066,094
(65,368,692)	(34,733,152)
(41,488,161)	(7,437,974)
(35,859,637)	(2,695,175)
-	(72,217,179)
5,917,255	1,847,079
<u>78,886,601</u>	<u>3,142,094</u>
(1,560,044)	-
71,875	-
<u>(37,633)</u>	<u>(66,767)</u>
<u>(1,525,802)</u>	<u>(66,767)</u>
361,146	1,443,070
22,090,481	-
(44,010,191)	(10,890,119)
(1,258,339)	-
(18,385,000)	-
(17,504,596)	-
(11,048)	-
12,169,673	-
(310,000)	-
2,631,384	-
78,550	-
<u>(7,855,000)</u>	<u>-</u>
<u>(52,002,940)</u>	<u>(9,447,049)</u>
8,347,736	3,108,126
4,161	-
<u>120,174</u>	<u>-</u>
<u>8,472,071</u>	<u>3,108,126</u>
33,829,930	(3,263,596)
<u>241,504,802</u>	<u>98,268,273</u>
<u>\$ 275,334,732</u>	<u>\$ 95,004,677</u>

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2011

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (1,650,881)	\$ 10,681,228
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	26,082,101	40,213,473
Equity interest in net loss of joint ventures	-	1,076,592
Provision for doubtful accounts	6,463	8,000
Miscellaneous revenue	323,083	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	1,395,183	701,959
(Increase) decrease in due from other county funds	-	(2,301)
(Increase) decrease in due from other governments	-	567,477
(Increase) decrease in inventory	(48,871)	407,229
(Increase) decrease in other assets	126,067	1,491
Decrease in due from component unit	-	-
Increase (decrease) in vouchers payable and accrued liabilities	55,640	(1,059,511)
(Decrease) in due to other county funds	(88,207)	(166,409)
Increase (decrease) in due to other governments	-	22,420
(Decrease) in other current liabilities	(385,237)	-
(Decrease) in unearned revenue	(27,912)	-
Increase in current portion of long-term debt	-	-
Increase in customer deposits	77,227	570,297
(Decrease) in insurance claims payable	-	-
Increase in other long-term liabilities	-	-
Net cash provided by operating activities	\$ 25,864,656	\$ 53,021,945
Supplemental disclosure of noncash capital and related financing activities:		
Contribution of capital assets to Glades Utility Authority	\$ -	\$ 2,485,955
Amortization of deferred debt issuance costs	\$ 136,318	\$ 215,045
Amortization of premium on bonds	\$ 288,013	\$ 664,084
Amortization of discount on bonds	\$ -	\$ 121
Amortization of deferred advance refunding loss	\$ 704,414	\$ 122,187
Payables related to capital asset acquisition	\$ -	\$ 1,805,190
Contribution of capital assets	\$ -	\$ 4,030,080
Capitalized interest	\$ -	\$ 2,708,357

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

<u>Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
Totals	
\$ 9,030,347	\$ 5,153,307
66,295,574	8,660,194
1,076,592	-
14,463	-
323,083	1,847,079
2,097,142	(235,737)
(2,301)	1,919,910
567,477	(84,492)
358,358	(185,410)
127,558	(104,135)
-	544
(1,003,871)	(5,325,483)
(254,616)	(667,262)
22,420	(144,890)
(385,237)	-
(27,912)	-
-	24,016
647,524	-
-	(9,324,259)
-	1,608,712
<u>\$ 78,886,601</u>	<u>\$ 3,142,094</u>

<u>\$ 2,485,955</u>	<u>\$ -</u>
<u>\$ 351,363</u>	<u>\$ -</u>
<u>\$ 952,097</u>	<u>\$ -</u>
<u>\$ 121</u>	<u>\$ -</u>
<u>\$ 826,601</u>	<u>\$ -</u>
<u>\$ 1,805,190</u>	<u>\$ -</u>
<u>\$ 4,030,080</u>	<u>\$ 45,500</u>
<u>\$ 2,708,357</u>	<u>\$ -</u>

PALM BEACH COUNTY, FLORIDA
Statement of Fiduciary Net Assets - Agency Funds
September 30, 2011

	Total Agency Funds
ASSETS	
Cash and cash equivalents	\$103,623,999
Investments	45,970
Accounts receivable, net	614,066
Due from other governments	1,604,388
Other assets	325
Total assets	\$105,888,748
LIABILITIES	
Vouchers payable and accrued liabilities	\$ 4,998,856
Due to other governments	37,527,949
Due to individuals	63,243,870
Other liabilities	118,073
Total liabilities	\$105,888,748

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

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PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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, 2011

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 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.

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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.

Additionally, as a result of GASB Statement No. 61, the following four component units are required to be discretely reported because: (1) The Primary Government and the Component Unit are *not* financially interdependent (i.e. there is not a relationship of potential financial benefit or burden between them), (2) Management is *not* responsible for the day-to-day operations of the component unit. (i.e. operational responsibility), and (3) The component unit's total debt outstanding is not expected to be repaid entirely or almost entirely with resources of the primary government.

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 in order to benefit the citizens of Palm Beach County. The MPO is reported as a governmental fund type.

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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 a proprietary 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

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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.

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, 2010, the Facility had total assets of \$100,823,789 and total net assets of \$90,250,353 including \$69,892,127 invested in capital, net of debt, and \$11,133,733 of unrestricted net assets. September 30, 2011 amounts are expected to approximate the above figures. As of September 30, 2011, the County's investment in this joint venture is \$42.8 million.

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, 2011, Palm Beach County had a 34.29% interest. The participants and each entity's interest at September 30, 2011 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%

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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

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 \$899,300 for the year ended September 30, 2011. During the fiscal year ended September 30, 2011, \$.1 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. As of September 30, 2011, the County's investment in the BPF is \$8.2 million.

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

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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.

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 GUA is currently experiencing operating difficulties. If they have a default on their outstanding loans, described in Note 7- Commitments under Water Utilities, the County could be subject to a call on its back-up pledge.

Separate financial 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. The County has no current borrowings.

Financial Statements may be obtained from the Commission.

B. Basic Financial Statements

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

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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, excluding fiduciary funds. 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 and the Department of Airports.

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 Statement of Net Assets and the Statement of Activities to the governmental funds presented in the fund financial statements.

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The following are definitions of the governmental fund types:

General Fund: Used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds: Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. The county uses a minimum of 50% as its definition of substantial.

Capital Projects Funds: Used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or assets that will held in trust for individuals, private organizations or other governments.

Debt Service Funds: Used for and reports financial resources that are restricted, committed or assigned to expenditures for principal and interest.

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 is subdivided into the following categories representing each of the elected officials of the County: Board of County Commissioners (BOCC), Sheriff, Clerk & Comptroller, Tax Collector, Property Appraiser and the Supervisor of Elections.

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 **Community and Social Development Special Revenue Fund** is used to account for governmental grant funds and other revenues designated for community and social services.

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.

The **General Government Capital Projects Fund** is used to account for costs of capital improvements not included in any other category.

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

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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 and the Department of Airports. These two 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 two major proprietary funds are described below:

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

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

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.

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

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

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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.

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

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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. 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 amount recorded as non-spendable 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. Restricted Assets

Assets are reported separately as „restricted' in proprietary funds and the entity-wide statement of net assets when restrictions on asset use change the nature or normal understanding of the availability of the asset.

Consistent with this principle, the following assets are reported as restricted assets:

1. Assets that are restricted as to withdrawal or use for other than current operations.
2. Assets that are restricted for expenditure in the acquisition or construction of noncurrent assets.

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H. 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 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.

I. 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.

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J. Deferred Debt 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 reported in the period the transaction occurs.

K. Self-Insurance

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

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

L. Financial Reporting for Government-wide and Proprietary Funds

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

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not eliminated. Interfund services provided and used between functions are not eliminated because removing interfund services would distort the functional expenses presented in the Statement of Activities.

O. Program Revenues

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

P. Budgets

BOARD OF COUNTY COMMISSIONERS

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

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

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added to the budget in the proper fund. During fiscal year 2011, supplemental appropriations amounted to a net increase of \$201,821,462, or approximately 5.0% 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.

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

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same time to the Board of County Commissioners. Final approval of the budgets is given by the Florida Department of Revenue.

SUPERVISOR OF ELECTIONS

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

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

Q. Encumbrances

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

R. Operating versus Non-operating Revenue and Expenses

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

S. Fund Balance

Fund balances are reported in classifications based on whether the amounts are non-spendable or spendable.

Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Spendable amounts are classified based on the extent to which there are external and/or internal constraints in how the fund balance amounts may be spent.

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Amounts that are restricted to specific purposes either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances.

Amounts that are constrained for specific purposes that are internally imposed by the County's highest level of decision making authority, the Board of County Commissioners (BOCC) are classified as committed fund balances. Formal action must be taken by the BOCC prior to the end of the fiscal year. The same formal action must be taken by the BOCC to remove or change the limitations placed on the funds.

Amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by County management based on the County Commission's direction.

Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance also includes any deficit fund balance of other governmental funds.

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

The County has not formally adopted a minimum fund balance policy.

T. 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.

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.

The entity-wide statement of net assets (government activities) reports \$595,555,856 of restricted net assets, of which \$179,561,860 is restricted by enabling legislation.

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U. Property Tax

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

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

Pursuant to Florida law, the Tax Collector advertises and sells tax certificates on all real property for which there are unpaid taxes. Accordingly, there is no property taxes receivable as of September 30, 2011.

For the 2009 tax roll year, the assessment roll was opened for collection on November 1, 2010, and discounts for payment prior to April 1, 2011, were determined as follows:

4%	if paid in November 2010
3%	if paid in December 2010
2%	if paid in January 2011
1%	if paid in February 2011

V. 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, 2011 amounted to \$16,592,312, of which \$2,708,357 was capitalized.

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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, 2011 the cash and investments consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Value</u>	<u>Investments</u>
Deposits in Financial Institutions	\$ 241,098,881	\$ 224,016,191	\$ -
Cash on hand		323,735	-
Internal Investment Pool		1,397,139,017	1,387,036,845
Cash Equivalents		66,292,338	66,292,338
Fund Investments		147,277	147,277
Total		<u>\$ 1,687,918,558</u>	<u>\$ 1,453,476,460</u>

The carrying value of the internal investment pool includes cash, accrued interest receivable, and investments.

Cash and investments are reported in the financial statements as follows:

Statement of Net Assets

Primary Government

Cash, cash equivalents & investments	\$ 993,139,854
Restricted cash, cash equivalents & investments	<u>591,108,735</u>

Statement of Fiduciary Net Assets

Agency Funds

Cash & cash equivalents	\$ 103,623,999
Investments	<u>45,970</u>

103,669,969
<u>\$ 1,687,918,558</u>

PALM BEACH COUNTY, FLORIDA
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Investment Type	Fair Value	Maturity in Years		
		Less Than 2 Years	2 Year but Less Than 5 Years	5 Years but Less Than 9 Years
Investments subject to interest rate risk				
Adjustable Rate Securities	\$ 421,327,743	\$ -	\$ 393,847,858	\$ 27,479,885
Collateralized Mortgage Obligations	287,286,218	51,245,520	98,646,352	137,394,346
Mortgage Backed Securities	177,476,131	3,610,629	173,865,502	-
Callable Step Rate Bonds	165,175,938	125,132,938	40,043,000	-
Debenture Participation Certificates	139,953,899	-	31,836,078	108,117,821
Indexed Amortization Notes	53,340,779	30,629,270	22,711,509	-
Corporate Notes	37,572,760	20,906,800	-	16,665,960
Callable Bonds	34,210,799	-	34,210,799	-
Florida Local Govt Investment Trust	29,638,137	29,638,137	-	-
Foreign Government Bonds	10,000,000	10,000,000	-	-
Fund B Surplus Funds Trust Fund (SBA)	147,277	-	-	147,277
	<u>1,356,129,681</u>	<u>\$ 271,163,294</u>	<u>\$ 795,161,098</u>	<u>\$ 289,805,289</u>
Other Investments				
Money Market Mutual Funds	95,183,146			
Florida Prime Investment Pool (SBA)	<u>2,163,633</u>			
	<u>\$ 1,453,476,460</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.

Credit Risk

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

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Investments	Fair Value	Percentage of Total Portfolio	Standard & Poor's Investment Rating Service
U.S Government Sponsored Enterprises (GSE)	\$867,270,719	59.8%	AA+
U.S. Treasuries & Guaranteed Agencies	411,500,788	28.3%	AA+
Money Market Mutual Funds	95,183,146	6.5%	AAAm
Corporate Securities	37,572,760	2.6%	AA+
Florida Local Govt Investment Trust	29,638,137	2.0%	AAAf
Foreign Government Bonds	10,000,000	0.7%	A-1
Florida Prime Investment Pool (SBA)	2,163,633	0.1%	AAAm
Fund B Surplus Funds Trust Fund (SBA)	147,277	0.0%	Not rated
	\$1,453,476,460	100.0%	

Ratings by Moody's or Fitch were no lower then as indicated above by 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. 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). Investments in collateralized mortgage obligations (CMO) are limited 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.

Custodial Credit Risk- Investments

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

To guard against this risk, the County's investment policy for the internal investment pool requires that all securities be insured or registered in the name of the County and held by a third party custodial institution, with capital and surplus stock of at least \$500 million and a separate

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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.

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)	\$ 601,821,169	41.5%
Small Business Administration	237,942,298	16.4%
Federal Home Loan Mortgage Company (Freddie Mac)	219,667,909	15.1%
Government National Mortgage Association (Ginnie Mae)	173,558,490	11.9%
Invesco AIM Institutional Money Market Fund	77,241,447	5.3%
Federal Home Loan Bank	45,781,641	3.1%
General Electric	37,572,760	2.6%
Other combined- less than 2% per issuer	30,252,609	2.1%
Florida Local Government Investment Trust (FLGIT)	29,638,137	2.0%
	\$ 1,453,476,460	100.0%

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

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.

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COMPONENT UNIT – Solid Waste Authority

Cash and Cash Equivalents: The bank balance and carrying value of the Authority’s cash and cash equivalents, including restricted balances, were as follows at September 30, 2011:

	2011
Bank balance of deposits with financial institutions	\$ 8,083,947
Carrying value	
Deposits with financial institutions	\$ 3,600,776
Petty cash	8,950
Money market mutual funds	211,978,434
Florida Prime Investment Pool (SBA)	208,864,291
Fund B Surplus Funds Trust Fund (SBA)	895,841
Total cash, cash equivalents, & investments	\$ 425,348,292

The deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer 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.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund B Surplus funds Trust Fund (SBA) has a weighted average maturity of 4.8 years.

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.

Credit Risk: Credit risk is the risk that an issuer will not fulfill its obligations. The Authority’s investment policy addresses credit risk by limiting allowable investments to the SBA Florida Prime investment pool, deposits with a financial institution meeting the requirements of a Florida qualified public depository, securities guaranteed by the U.S. Government, or investments that are otherwise fully collateralized or secured. The credit quality ratings of the investments held at September 30, 2011 are as follows:

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	<u>Fair Value</u>	<u>Credit Quality Ratings</u>	
		<u>S&P</u>	<u>Moody's</u>
Money market mutual funds	\$211,978,434	AAAm	Aaa
Florida Prime Investment Pool (SBA)	208,864,291	AAAm	Not Rated
Fund B Surplus Funds Trust Fund (SBA)	895,841	Not Rated	Not Rated

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 certain investments and in any one issuer, except for investments in Florida Prime, U.S. Treasury obligations and money market mutual funds which are not limited. Time and savings deposits are limited to 20% of the portfolio value, but no more than 5% per issuer. U.S. Government Agency and Instrumentality securities are limited to 40% of the portfolio value. Guaranteed investment contracts are limited to the total debt service reserve balance. Interest rate swap and repurchase agreements are generally limited to 50% of the portfolio fair value and must be fully collateralized or otherwise insured. The Authority was in compliance with these limitations at September 30, 2011 and 2010. At September 30, 2011 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	<u>Fair Value</u>	<u>Percentage of Total Investment Portfolio</u>
Florida State Board of Admin	\$209,760,132	49.7%
Dreyfus Government	162,605,896	38.6%
Fidelity Government	36,177,492	8.6%
Other less than 5%	13,195,046	3.1%
	<u>\$421,738,566</u>	<u>100.0%</u>

3. RELATED PARTY TRANSACTIONS

Various departments within the County provide goods, administration, public safety, maintenance and various other services to other operating departments. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties. The most significant of these transactions involves the reimbursement of indirect costs in accordance with the indirect cost plan. Accordingly, the reimbursement of these indirect costs in fiscal year 2011 was \$19,302,596.

PALM BEACH COUNTY, FLORIDA
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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	\$ -	\$ (1,693,600)	\$ 739,502,035
Construction In Progress	505,835,847	118,225,875	(106,132,872)	517,928,850
Total non-depreciable assets	<u>1,247,031,482</u>	<u>118,225,875</u>	<u>(107,826,472)</u>	<u>1,257,430,885</u>
Depreciable assets:				
Buildings and improvements	869,115,752	11,948,220	-	881,063,972
Improvements other than buildings	317,826,807	33,177,507	-	351,004,314
Equipment	586,410,657	60,715,927	(34,881,888)	612,244,696
Infrastructure	1,279,179,496	61,001,427	-	1,340,180,923
Total depreciable assets	<u>3,052,532,712</u>	<u>166,843,081</u>	<u>(34,881,888)</u>	<u>3,184,493,905</u>
Less accumulated depreciation for:				
Buildings and improvements	(292,918,081)	(24,210,183)	-	(317,128,264)
Improvements other than buildings	(179,851,293)	(10,162,582)	643,672	(189,370,203)
Equipment	(394,284,815)	(57,875,487)	33,636,741	(418,523,561)
Infrastructure	(990,050,711)	(27,308,368)	-	(1,017,359,079)
Total accumulated depreciation	<u>(1,857,104,900)</u>	<u>(119,556,620)</u>	<u>34,280,413</u>	<u>(1,942,381,107)</u>
Total capital assets, being depreciated, net	<u>1,195,427,812</u>	<u>47,286,461</u>	<u>(601,475)</u>	<u>1,242,112,798</u>
Total governmental capital assets, net	<u>\$2,442,459,294</u>	<u>\$ 165,512,336</u>	<u>\$(108,427,947)</u>	<u>\$ 2,499,543,683</u>

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	Beginning Balance (Restated)	Additions	Deductions	Ending Balance
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 112,034,808	\$ 1,997,764	\$ (720)	\$ 114,031,852
Construction In Progress	57,876,534	38,458,594	(65,717,317)	30,617,811
Total non-depreciable assets	<u>169,911,342</u>	<u>40,456,358</u>	<u>(65,718,037)</u>	<u>144,649,663</u>
Depreciable assets:				
Buildings and improvements	448,677,841	3,777,420	(168,918)	452,286,343
Improvements other than buildings	1,314,258,347	64,241,726	(5,666,151)	1,372,833,922
Equipment	107,439,215	2,012,945	(2,958,485)	106,493,675
Intangible - easement rights	15,415,813	-	-	15,415,813
Leasehold interest	12,411,525	-	-	12,411,525
Goodwill	7,131,703	-	(215,800)	6,915,903
Total depreciable assets	<u>1,905,334,444</u>	<u>70,032,091</u>	<u>(9,009,354)</u>	<u>1,966,357,181</u>
Less accumulated depreciation for:				
Buildings and improvements	(184,969,466)	(17,317,803)	165,121	(202,122,148)
Improvements other than buildings	(515,317,444)	(37,210,810)	2,838,631	(549,689,623)
Equipment	(73,497,512)	(8,982,338)	2,955,805	(79,524,045)
Intangible - easement rights	(3,159,296)	(343,874)	-	(3,503,170)
Leasehold interest	(5,362,423)	(1,267,748)	-	(6,630,171)
Goodwill	(892,362)	(203,891)	-	(1,096,253)
Total accumulated depreciation	<u>(783,198,503)</u>	<u>(65,326,464)</u>	<u>5,959,557</u>	<u>(842,565,410)</u>
Total capital assets, being depreciated, net	<u>1,122,135,941</u>	<u>4,705,627</u>	<u>(3,049,797)</u>	<u>1,123,791,771</u>
Total business-type capital assets, net	<u>\$ 1,292,047,283</u>	<u>\$ 45,161,985</u>	<u>\$ (68,767,834)</u>	<u>\$ 1,268,441,434</u>

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

Governmental Activities:

General government	\$ 19,596,536
Public safety	33,816,175
Physical environment	1,104,404
Transportation	36,631,263
Economic environment	364,044
Human services	1,627,884
Culture and recreation	17,745,620
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>8,670,694</u>
Total depreciation expense - governmental activities	<u>\$119,556,620</u>

Business-type activities:

Department of Airports	\$ 26,082,101
Water Utilities Department	<u>39,244,363</u>
Total depreciation expense-business-type activities	<u>\$ 65,326,464</u>

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COMPONENT UNIT – Solid Waste Authority

A summary of changes in capital assets for the Solid Waste Authority follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Non-depreciable assets:				
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Construction In Progress	232,262,765	108,505,667	(50,915,178)	289,853,254
Total non-depreciable assets	<u>282,888,891</u>	<u>108,505,667</u>	<u>(50,915,178)</u>	<u>340,479,380</u>
Depreciable assets:				
Buildings and improvements	293,646,082	47,152,036	-	340,798,118
Improvements other than buildings	96,370,182	11,545,168	(1,451,484)	106,463,866
Equipment	180,955,582	10,199,565	(5,118,633)	186,036,514
Total depreciable assets	<u>570,971,846</u>	<u>68,896,769</u>	<u>(6,570,117)</u>	<u>633,298,498</u>
Less accumulated depreciation for:				
Buildings and improvements	(121,865,866)	(11,608,143)	521	(133,473,488)
Improvements other than buildings	(37,919,840)	(3,574,267)	-	(41,494,107)
Equipment	(110,745,601)	(13,993,916)	4,984,601	(119,754,916)
Total accumulated depreciation	<u>(270,531,307)</u>	<u>(29,176,326)</u>	<u>4,985,122</u>	<u>(294,722,511)</u>
Total capital assets, being depreciated, net	<u>300,440,539</u>	<u>39,720,443</u>	<u>(1,584,995)</u>	<u>338,575,987</u>
Total component unit capital assets, net	<u>\$ 583,329,430</u>	<u>\$ 148,226,110</u>	<u>\$ (52,500,173)</u>	<u>\$ 679,055,367</u>

5. INTERFUND TRANSFERS IN AND OUT

Interfund transfers in and out during fiscal year 2011 were as follows:

Interfund Transfers In	Interfund Transfers Out	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Palm Tran Special Revenue Fund	\$ 956,456
	Law Enforcement Grants Special Revenue Fund	5,829,656
	Community & Social Development Special Revenue Fund	16,436
	Other Special Revenue Fund	2,002,810
	Criminal Justice Capital Projects	3,612,349
	General Government Capital Projects	6,712,401
	Parks & Recreation Capital Projects	718,911
		<u>19,849,019</u>
Fire Rescue Special Revenue Fund	General Fund	6,607,803
	Community & Social Development Special Revenue Fund	65,625
	Other Special Revenue Fund	285,125
		<u>6,958,553</u>

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Interfund Transfers In	Interfund Transfers Out	Amount
Community & Social Development Special Revenue Fund	General Fund	13,293,996
	Other Special Revenue Fund	13,081
	Road Program Capital Projects	<u>65,032</u>
		<u>13,372,109</u>
Road Program Capital Projects	General Fund	750,000
	County Transportation Trust Special Revenue Fund	<u>64,000</u>
		<u>814,000</u>
General Government Capital Projects	General Fund	6,010,407
	Fire Rescue Special Revenue Fund	245,247
	County Transportation Trust Special Revenue Fund	35,519
	Municipal Service Taxing District Special Revenue Fund	12,685
	Library Taxing District Special Revenue Fund	9,937
	Community & Social Development Special Revenue Fund	6,348,116
	Palm Tran Special Revenue Fund	1,676,668
	Other Special Revenue Fund	644,540
	Road Program Capital Projects	15,615,000
	Airports	37,633
	Fleet Management	<u>7,611</u>
		<u>30,643,363</u>
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	General Fund	\$ 132,052
	Other Special Revenue Fund	<u>307,755</u>
		<u>439,807</u>
County Transportation Trust Special Revenue Fund	General Fund	3,079,915
	Road Program Capital Projects	8,897,218
	Street & Drainage Capital Projects	<u>1,000,000</u>
		<u>12,977,133</u>
Affordable Housing Trust Fund (SHIP) Special Revenue Fund	General Fund	<u>141,520</u>
Palm Tran Special Revenue Fund	General Fund	15,514,940
	Community & Social Development Special Revenue Fund	<u>95,213</u>
		<u>15,610,153</u>
Other Special Revenue Fund	General Fund	1,934,501
	Law Enforcement Grants Special Revenue Fund	<u>119,111</u>
		<u>2,053,612</u>
Nonmajor Debt Service Funds		
General Obligation Bonds Debt Service Funds	General Fund	129,219
	Revenue Bonds Debt Service Fund	32,159
	Environmental Lands Capital Projects	<u>2,344</u>
	<u>163,722</u>	

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Interfund Transfers In	Interfund Transfers Out	Amount
Revenue Bonds Debt Service Fund	General Fund	80,307,804
	Tourist Development Special Revenue Fund	7,394,157
	Other Special Revenue Fund	712,584
	Other Financing Debt Service	441,688
	General Government Capital Projects	5,169,095
	Road Program Capital Projects	<u>908,157</u>
		<u>94,933,485</u>
Other Financing Debt Service	General Fund	693,268
	Environmental Lands Capital Projects	<u>29,580</u>
		<u>722,848</u>
Nonmajor Capital Projects Funds		
Environmental Lands Capital Projects	General Fund	250,000
	Tourist Development Special Revenue Fund	1,587,343
	Other Special Revenue Fund	<u>1,559,650</u>
		<u>3,396,993</u>
Parks & Recreation Capital Projects	General Government Capital Projects	737,654
	Combined Insurance Fund	<u>59,156</u>
		<u>796,810</u>
Total Nonmajor Governmental Funds		<u>\$ 131,236,083</u>
Proprietary Funds:		
Major Enterprise Funds		
Water Utilities	Community & Social Development Special Revenue Fund	<u>\$ 71,875</u>
Total Interfund Transfers Primary Government		<u><u>\$ 202,945,002</u></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 2011, the County transferred land with a book value of \$1,693,600 from the governmental activities to the business-type activities. This item is recorded as a capital contribution in the Airport fund financial statements and a transfer in the statement of activities.

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6. RETIREMENT PLANS

FLORIDA RETIREMENT SYSTEM

Plan Description - The County participates in the Florida Retirement System (FRS), a 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.

Members enrolled in the FRS Pension Plan and actively employed on July 1, 2001, or first enrolled between July 1, 2001 and June 30, 2011, will be vested, or eligible to receive future benefits after 6 years of creditable service. Participants first enrolled on or after July 1, 2011 will be vested, or eligible to receive future benefits after 8 years of creditable service. Benefits are based on age, average final compensation and years-of-service credit. For members initially enrolled in the FRS before July 1, 2011, average final compensation is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, average final compensation is the average of the eight highest fiscal years of salary earned during covered employment. Members are eligible for normal retirement when they have met the minimum requirements established by their membership class. For members initially enrolled in the FRS before July 1, 2011, 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. For members initially enrolled in the FRS on or after July 1, 2011, Regular Class members are eligible for normal retirement if they are vested and age 65 or if they have 35 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 a stated effective annual rate. For members who entered DROP prior to July 1, 2011, the rate is 6.5%. For members who enter DROP on or after July 1, 2011, the rate is 1.3%. Members may participate in DROP when they are vested and have

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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/employee 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 are established and may be amended by the Florida Legislature. The County's contributions to FRS for the years ended September 30, 2011, 2010, and 2009 were \$93.5 million, \$100.5 million, and \$97.4 million, respectively, equal to the required contributions for each year. As of the fiscal year ending September 30, 2011, the Solid Waste Authority is considered a Component Unit rather than a part of the Primary Government. As a result, the prior-year contributions have been restated to reflect this change.

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, 2011:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Regular	3.00%	4.91%
Special Risk	3.00%	14.10%
Judges	3.00%	11.69%
Legislators	3.00%	9.04%
Governor/Lieutenant Governor/Cabinet	3.00%	9.04%
State Attorney/Public Defender	3.00%	9.04%
County, City, Special District Elected Officers	3.00%	11.14%
Special Risk Administrative Support	3.00%	6.04%
IFAS Supplemental	0.00%	18.75%
Senior Management	3.00%	6.27%
Deferred Retirement Option Program	N/A	4.42%

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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 15.7% of annual covered payroll.

Annual Pension Cost and Net Pension Obligation – Per the actuarial valuation, the annual pension cost and net pension obligation as of September 30, 2011 were as follows:

Annual required contribution (ARC)	\$ 8,218,532
Interest on net pension obligation	217,510
Adjustment to ARC	153,435
Annual pension cost	<u>8,589,477</u>
Contributions made	<u>(3,294,481)</u>
Increase (decrease) in net pension obligation	5,294,996
Net pension obligation beginning of year	2,718,873
Net pension obligation end of year	<u><u>\$ 8,013,869</u></u>

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/09	\$3,527,501	93%	\$ 252,006
09/30/10	5,769,760	58	2,718,873
09/30/11	8,589,477	40	8,013,869

Funded Status and Funding Progress – As of January 1, 2011, the most recent actuarial valuation date, the plan was 65.2% funded. The actuarial accrued liability for benefits was \$83.6 million, and the actuarial value of assets was \$54.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$29.1 million. The covered payroll (annual payroll of active

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employees covered by the plan) was \$25.5 million, and the ratio of the UAAL to the covered payroll was 114.0%.

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, 2011 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 15.7% 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, 2011 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 62.52% of annual covered payroll.

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Annual Pension Cost and Net Pension Obligation – Per the actuarial valuation, the annual pension cost and net pension obligation as of September 30, 2011 were as follows:

Annual required contribution (ARC)	\$ 1,430,327
Interest on net pension obligation	2,760
Adjustment to ARC	4,240
Annual pension cost	1,437,327
Contributions made	(1,430,327)
Increase (decrease) in net pension obligation	7,000
Net pension obligation beginning of year	34,505
Net pension obligation end of year	\$ 41,505

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/09	\$1,472,690	100%	\$ -
09/30/10	1,432,225	98	34,505
09/30/11	1,437,327	100	41,505

Funded Status and Funding Progress – As of September 30, 2010, the most recent actuarial valuation date, the plan was 78.2% funded. The actuarial accrued liability for benefits was \$24.7 million, and the actuarial value of assets was \$19.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2.2 million, and the ratio of the UAAL to the covered payroll was 249.1%.

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

Actuarial Methods and Assumptions – In the September 30, 2010 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, 2010 was 15 years.

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

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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 \$895,753 for the year ended September 30, 2011.

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 – Solid Waste Authority (SWA)

Like the Primary Government, the SWA also participates in the Florida Retirement System (FRS), a contributory, cost-sharing, multi-employer, public employee retirement system administered by the Florida Department of Management Services, Division of Retirement.

The contribution requirements for plan members and participating governments are established by State statute. The SWA's contributions to the FRS for the years ended September 30, 2011, 2010 and 2009 were \$2,041,721, \$2,321,416 and \$2,227,194, respectively, and were 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 the amounts shown below as of September 30, 2011:

<u>Fund</u>	<u>Amount</u>
Capital Projects Funds	\$ 100,723,838
Special Revenue Funds	31,686,460
Department of Water Utilities	16,841,000
Department of Airports	12,668,223
General Fund	1,367,567
Internal Service Funds	986,970
Tax Collector	200,314
Property Appraiser	142,124
Clerk & Comptroller	52,661
Total	<u><u>\$ 164,669,157</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.

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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 June 16, 2009, the Glades Utility Authority (GUA) was established when the BOCC: A) adopted a Resolution determining that the transfer of certain utility assets to the GUA is in the public interest, as required under Section 125.3401, Florida Statutes; B) approved an Interlocal Agreement with the Cities of Belle Glade, Pahokee, and South Bay (Cities) for the establishment of the GUA pursuant to Chapter 163, Florida Statutes; and C) approved a Transition Agreement with the Cities.

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. The balance of the various State Revolving Fund loans at September 30, 2011 is \$93 million. 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 balance of the bank loan at September 30, 2011 is \$8.6 million.

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.

Current Year Plan:

On March 3, 2011 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 April 29, 2011. For fiscal year 2011, the cost of providing those benefits for ninety voluntary terminations was approximately \$2.9 million. The liability for the accrued healthcare cost at September 30, 2011 was \$1.8 million with \$670,000

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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 \$1.1 million including payroll taxes.

Prior Year Plans:

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 agreed to voluntarily terminate employment by August 21, 2009. The liability for the accrued healthcare cost at September 30, 2011 was \$487,800 which is estimated to be paid within one year. The healthcare cost benefit was valued using the unadjusted cost of the blended premium.

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. The liability for the accrued healthcare cost at September 30, 2011 was \$344,900 with \$229,300 estimated to be paid within one year. The healthcare cost benefit was valued using the unadjusted cost of the blended premium.

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. The liability for the accrued healthcare cost at September 30, 2011 was \$755,500 with \$408,000 estimated to be paid within one year. The healthcare cost benefit was valued using the unadjusted cost of the blended premium.

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.

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 current fiscal year expense

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was \$35 million, and as of September 30, 2011 the County has paid \$41.7 million towards this commitment.

Tri-County Commuter Rail Authority

Pursuant to Chapter 343 of the Florida Statutes, the South Florida Regional Transportation Authority (SFRTA) was created and established as an agency of the State to own, operate, maintain, and manage a transit system in the tri-county area of Miami-Dade, Broward, and Palm Beach Counties.

A state-authorized, local option recurring funding source available to the tri-counties is directed to SFRTA to fund its capital, operating, and maintenance expenses if the counties dedicate and transfer annually not less than \$2.67 million. In addition, each county shall continue to annually fund the operations of SFRTA in an amount not less than \$1.565 million. The total annual commitment for Palm Beach County is \$4.235 million.

COMPONENT UNIT - Solid Waste Authority (SWA)

Contract Commitments: SWA has several uncompleted construction contracts for improvements to the solid waste system. The construction is being funded primarily from existing capital improvement funds and bond proceeds. At September 30, 2011 the uncompleted contracts are summarized as follows:

	<u>Contract Amount</u>	<u>Approved Payments</u>	<u>Retainage Payable</u>	<u>Remaining Contract Commitment</u>
Subordinated Indebtedness				
Account	\$ 8,419,937	\$ 1,469,821	\$ 147,521	\$ 6,802,595
Bond Funds	<u>796,946,777</u>	<u>151,549,236</u>	<u>3,566,313</u>	<u>641,831,228</u>
	<u>\$805,366,714</u>	<u>\$153,019,057</u>	<u>\$ 3,713,834</u>	<u>\$648,633,823</u>

In addition to the construction contract commitments, SWA also had outstanding purchase commitments for various equipment, goods and services totaling approximately \$4.3 million at September 30, 2011.

Interlocal Agreement: SWA entered into an interlocal agreement with Palm Beach County to provide funding for a hazardous materials emergency response team to provide regional hazardous materials investigation and mitigation services through the year ended September 30, 2007. The agreement was renewed on October 1, 2007 for an additional five year term through the fiscal year ending September 30, 2012.

SWA paid \$1,774,150 for 2011. SWA is required to pay \$1,826,683 under this agreement for the fiscal year ended September 30, 2012.

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Lease Commitments: SWA owns approximately 1,600 acres of farmland in western Palm Beach County, which is held 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, 2011 was approximately \$307,000. The carrying value of the land subject to the lease was approximately \$8 million at September 30, 2011. 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 landfill 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, 2011 was approximately \$133,000. The minimum future rental payments, based on an annual increase of 3 percent, under this operating lease at September 30, 2011 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2012	\$ 137,039
2013	141,150
2014	145,385
2015	149,746
2016	154,239
2017-2020	<u>664,636</u>
	<u>\$ 1,392,195</u>

Landfill Closure and Postclosure Care Costs

The SWA operated one active landfill site for the year ended September 30, 2011. 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.

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Landfill closure and postclosure care liabilities at September 30, 2011 are as follows:

Accrued closure and postclosure care costs	\$ 33,693,292
Accrued postclosure care for closed landfills	4,841,382
Total Accrued Landfill Closure Costs	\$ 38,534,674

The \$33,693,292 of accrued closure and postclosure care liabilities at September 30, 2011 represents the cumulative cost based on the use of 38.3 percent of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately \$64.9 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 2011. Based on current demographic information and engineering estimates of landfill consumption, the SWA expects to close the landfill in approximately 2047. 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, 2011 assets of \$31,586,181 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, 2011, the statutorily required escrow account balances were as follows:

Site	September 30, 2011
Site 7 closure costs	\$ 21,566,868
Dyer landfill long-term care	322,759
	\$ 21,889,627

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, 2011, however, management does not believe

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that the annual costs are material to the SWA and these costs will be adequately funded through future, annual operating budgets.

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, 2011, 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. The County self-funds its Property and Liability exposures up to the amounts of \$1,000,000 for Property and \$500,000 for Liability. In addition, the County purchases a portfolio of excess insurance policies for both Property and Liability as well as numerous smaller policies for areas that are typically excluded in a standard policy or are specialized in nature. Prior to October 1, 2011, liability exposures were 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 incidents taking place on or after October 1, 2011. The insurance program covers the Board of County Commissioners, the Supervisor of Elections, and the Tax Collector. In addition, the Property Appraiser participates in a small portion of the program as outlined in the Self Insured Retention Program.

Participants in the program make payments to the Property and Liability Insurance Fund, included in the Combined Insurance Fund, based on estimates of the amounts needed to pay prior and current year claims and to establish an additional liability for claims incurred but not reported. The claims liability reported in this fund at September 30, 2011 is \$3,819,171. During claim years 2011 and 2010, 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>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2010	\$7,118,000	\$610,000	(\$744,000)	\$6,984,000
2011	6,984,000	(530,245)	(2,634,584)	3,819,171

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Workers' Compensation Insurance

The County self-funds its workers' compensation exposure. The fund is professionally administered by a third party claims administrator. 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 manages his own program using a third party administrator. Under the County's Self-Insurance Program, the Workers' Compensation Fund provides full coverage pursuant to Florida Statute 440. The County purchases excess coverage for losses above the self-insured retention limit of \$1,000,000, for each workers' compensation occurrence.

Participants in the program 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 and to establish an additional liability for claims incurred but not reported. The claims liability reported in this fund at September 30, 2011 is \$45,395,975. During claim years 2011 and 2010, 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>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2010	\$43,671,000	\$11,257,000	(\$5,583,000)	\$49,345,000
2011	49,345,000	5,175,423	(9,124,448)	45,395,975

Employee Group Health Insurance

The County provides health insurance for its employees, retirees, and eligible dependents. The County has a \$550,000 specific excess insurance policy to protect the County against catastrophic health claims. The Health Insurance Fund covers all employees of the Board of County Commissioners and the Supervisor of Elections.

Participants in the program 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 and to establish an additional liability for claims incurred but not reported. The claims liability reported in the fund at September 30, 2011 is \$4,227,245. During claim years 2011 and 2010, changes recorded to the claims liability for employee health insurance were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2010	\$3,746,517	\$57,125,005	(\$56,292,340)	\$4,579,182
2011	4,579,182	55,942,224	(56,294,161)	4,227,245

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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 record current activity in the Sheriff's General fund and an obligation in the government-wide financial statements. 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, 2011 is \$12,785,926. 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 2011 and 2010, changes recorded to the claims liability for general liability 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
2010	\$12,869,451	\$5,235,286	(\$5,294,166)	\$12,810,571
2011	12,810,571	3,828,633	(3,853,278)	12,785,926

Workers' Compensation Insurance

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2011 is \$20,319,633. 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 2011 and 2010, changes recorded to the claims liability for workers' compensation were as follows:

<u>Fiscal Year</u>	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2010	\$20,215,841	\$9,747,690	(\$6,748,218)	\$23,215,313
2011	23,215,313	3,695,870	(6,591,550)	20,319,633

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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 is accounted for as an internal service fund.

During claim years 2011 and 2010, 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>
2010	\$817,000	\$7,401,276	(\$7,412,276)	\$806,000
2011	806,000	7,553,113	(7,617,113)	742,000

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.

COMPONENT UNIT - 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 \$597 million, subject to various policy sub-limits, generally ranging from \$1 million to \$100 million and deductibles ranging from \$50,000 to \$1 million per occurrence. The SWA also purchases commercial insurance for general liability claims with

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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 2011. 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, 2011 and 2010 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2010	\$448,000	\$195,749	(\$195,749)	\$448,000
2011	448,000	347,973	(347,973)	448,000

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

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) BOCC
 - (b) Supervisor of Elections
 - (c) Metropolitan Planning Organization
2. Tax Collector
3. Property Appraiser
4. Clerk & Comptroller
5. Sheriff
6. Fire Rescue Union

B. Long Term Disability Plan:

1. Fire Rescue Taxing District

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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.

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 standalone 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 standalone 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

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eligible dependents) 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, 2011 retirees receiving benefits contributed the following monthly premiums:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Monthly Minimum	\$ 549	\$ 662	\$ 572	\$ 551	\$ 489	\$ 147
Monthly Maximum	4,177	2,176	1,605	1,982	2,292	509

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 accordance with the Fire Rescue Collective Bargaining Agreement, the plan provides a post-retirement health insurance benefit. The Retirees must meet retirement eligibility criteria in order 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. Unless otherwise precluded, 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.

Under the Sheriff’s Plan, employees who retire after six or eight years of service, depending upon date of employment, may elect to retain coverage for medical and dental insurance under the Sheriff’s group plans. Eligible employees leaving the agency in good standing and electing to retain group health insurance receive a monthly, prorated health insurance benefit of \$16 per month per year of service rendered to the Sheriff. If the election is not made at separation, retirees are not eligible to receive the benefit at a later date. Premium cost over and above the subsidy amount is the sole responsibility of the retiree. The subsidy terminates upon death of the retiree or when the retiree discontinues coverage under the Sheriff’s Plan. Some retirees and eligible family members receive additional subsidies based primarily on position and circumstances.

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

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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, 2011:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Annual required contribution (ARC)	\$ 1,155,000	\$ 148,657	\$ 38,682	\$ 429,000	\$ 18,890,000	\$ 9,752,000
Interest on net OPEB obligation	27,000	24,668	4,924	6,000	1,800,000	720,000
Adjustment to annually required contribution	(23,000)	(19,910)	(3,959)	(5,000)	(1,440,000)	(579,000)
Annual OPEB cost	1,159,000	153,415	39,647	430,000	19,250,000	9,893,000
Contributions made	(2,185,011)	-	-	(391,516)	(5,130,000)	(4,728,538)
Increase in net OPEB obligation	(1,026,011)	153,415	39,647	38,484	14,120,000	5,164,462
Net OPEB obligation-beginning of year	598,206	493,357	98,471	134,482	36,000,000	13,848,359
Net OPEB obligation (asset) - end of year	\$ (427,805)	\$ 646,772	\$ 138,118	\$ 172,966	\$ 50,120,000	\$ 19,012,821

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.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Liability (Asset)
County			
9/30/2009	\$ 1,273,000	85.0 %	\$ 511,147
9/30/2010	1,205,000	92.8	598,206
9/30/2011	1,159,000	188.5	(427,805)
Tax Collector			
9/30/2009	\$ 171,075	0.0 %	\$ 341,054
9/30/2010	152,303	0.0	493,357
9/30/2011	153,415	0.0	646,772
Property Appraiser			
9/30/2009	\$ 30,512	0.0 %	\$ 60,074
9/30/2010	38,397	0.0	98,471
9/30/2011	39,647	0.0	138,118
Clerk & Comptroller			
9/30/2009	\$ 522,000	95.2 %	\$ 102,958
9/30/2010	413,000	92.4	134,482
9/30/2011	430,000	91.1	172,966
Sheriff			
9/30/2009	\$ 16,200,000	29.0 %	\$ 22,500,000
9/30/2010	18,000,000	25.0	36,000,000
9/30/2011	19,250,000	26.6	50,120,000
Fire Rescue Union			
9/30/2009	\$ 12,288,000	34.2 %	\$ 5,432,098
9/30/2010	12,974,000	35.1	13,848,359
9/30/2011	9,893,000	47.8	19,012,821

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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
Actuarial accrued liability (AAL)	\$ 14,760,000	\$ 1,208,095	\$ 348,156	\$ 5,202,000	\$ 190,600,000	\$ 129,760,000
Actuarial value of plan asset	-	-	-	-	-	23,359,477
Unfunded actuarial accrued liability (UAAL)	\$ 14,760,000	\$ 1,208,095	\$ 348,156	\$ 5,202,000	\$ 190,600,000	\$ 106,400,523
Funded ratio (actuarial value of plan / AAL)	0.0%	0.0%	0.0%	0.0%	0.0%	18.0%
Covered payroll (active plan members)	\$ 253,793,723	\$ 10,945,091	\$ 14,286,192	\$ 27,580,451	\$ 269,750,942	\$ 132,643,996
UAAL as a percentage of covered payroll	5.8%	11.0%	2.4%	18.9%	70.7%	80.2%

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:

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	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Actuarial valuation date	10/1/2009	10/1/2009	10/1/2009	10/1/2009	1/1/2010	10/1/2010
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
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
Remaining amortization period	30 yrs- Open	30 yrs- Closed	30 yrs- Closed	30 yrs- Open	30 yrs- Open	30 yrs- Open
Asset valuation method	na	na	na	na	na	na
Actuarial assumptions						
Investment rate of return	4.5%	5.0%	5.0%	4.5%	5.0%	5.2%
Projected salary increases	3.5%	4.0%	4.0%	3.5%	4.0%	3.5%
Healthcare inflation rate-initial	11.0%	8.0%	8.0%	11.0%	6.9%	10.0%
Healthcare trend rate-ultimate	5.0%	5.0%	5.0%	5.0%	4.7%	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 standalone 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 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:

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Annual required contribution	\$ 880,160
Interest on net OPEB obligation	3,276
Adjustment to annual required contribution	(4,083)
Annual OPEB cost (expense)	879,353
Contributions made	(706,196)
Increase in net OPEB obligation	173,157
Net OPEB obligation (asset)- beginning of year	(81,992)
Net OPEB obligation (asset)- end of year	\$ 91,165

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)
9/30/2009	\$ 672,745	98.2%	\$ (208,367)
9/30/2010	798,989	84.2%	(81,992)
9/30/2011	879,353	80.3%	91,165

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)	\$ 11,172,901
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 11,172,901
Funded ratio (actuarial value of plan / AAL)	0.0%
Covered payroll (active plan members)	\$132,643,996
UAAL as a percentage of covered payroll	8.4%

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

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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	10/1/2010
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	5.0%
Projected salary increases	4.0%
Cost of living adjustments	None

COMPONENT UNIT - Solid Waste Authority (SWA)

Plan Description: Effective January 1, 2009, the SWA established a single-employer defined benefit healthcare plan to provide benefits to its eligible retired employees and their beneficiaries (the “Plan”). The Plan is administered by the SWA’s Board, which also has the authority to establish and amend premiums for and the benefit provisions of the Plan. The Plan is financed on a “pay-as-you-go” basis and is not administered as a formal qualifying trust. The Plan does not issue a publicly available financial report.

Funding Policy: The contribution requirements of Plan members and the SWA are established and may be amended by the SWA’s Board. The SWA is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same *group insurance rates* that current employees are charged resulting in an *implicit* healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$643 to a maximum of \$1,881.

Annual OPEB Cost and Net OPEB Obligation: The annual other postemployment 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.

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The SWA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for the year ended September 30, 2011 was as follows:

	2011
Annual required contribution	\$ 75,000
Interest on net OPEB obligation	21,000
Adjustment to annual required contribution	(16,000)
Annual OPEB cost	80,000
Contributions made	(99,470)
Increase (decrease) in net OPEB obligation	(19,470)
Net OPEB obligation, beginning of year	347,029
Net OPEB obligation, end of year	\$ 327,559

The year ended September 30, 2008 was the year of implementation of GASB 45 and the SWA elected to implement prospectively. Three year comparative data is as follows:

Year Ended September 30,	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
2011	\$ 80,000	\$ 99,470	124.3%	\$ 327,559
2010	186,000	59,971	32.2%	347,029
2009	186,000	21,709	11.7%	221,000

Funded Status and Funding Progress: The Plan is financed on a pay-as-you-go basis. The latest actuarial valuation was done as of October 1, 2010 and the SWA intends to obtain such valuations every other year in the future. The following schedule of funding progress is presented based upon available information:

Date of Actuarial Valuation October 1,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2010	\$ 0	\$ 724,000	\$ 724,000	0.0%	\$22,391,000	3.2%
2008	0	1,440,000	1,440,000	0.0%	21,254,000	6.7%
2007	0	1,115,000	1,115,000	0.0%	21,614,000	5.2%

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 the 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 plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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Both plans use the projected unit credit actuarial cost method. The actuarial assumptions include a 6.0% investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5% after ten years. Both rates include a 3.5% inflation assumption. The actuarial value of assets will be determined using fair value. The UAAL will be amortized as a level percentage of projected payroll on an open basis. The remaining amortization period is 30 years.

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. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage and changes in marital status, could result in actual costs being greater or less than estimated.

Changes in Actuarial Assumptions: Several actuarial assumptions were changed in the October 1, 2010 valuation resulting in a decrease in the AAL of approximately \$700,000. These changes include the following: (1) claim costs did not increase at the rates assumed in the prior valuation, (2) there are fewer lives in total, fewer retirees and fewer spouses covered now than there were previously, (3) the trend assumption applicable to assumed administrative expenses was changed, and (4) the assumed participation rates for retirees was reduced based on the census.

10. LEASES

Leases Receivable: Enterprise Funds

The Department of Airports leases a major portion of its property to airlines, rental car companies and concessionaires. Certain concessionaire leases provide for minimum rentals plus a contingency portion specified as a percentage of the tenants' gross revenues. Contingent rental income under such arrangements amounted to \$1,913,636 for the year ended September 30, 2011. All Department of Airports' leases are operating leases. A significant portion of the airlines and rental car companies operating leases usually run for between two to five years and are scheduled to expire after fiscal year 2012 resulting in a decline in minimum future receipts.

Minimum future receipts, exclusive of contingent rentals under such leases, are approximately:

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<u>Year Ended</u> <u>September 30</u>	<u>Department of</u> <u>Airports</u>
2012	\$ 37,966,926
2013	20,557,353
2014	19,665,252
2015	19,197,416
2016	19,171,596
Thereafter	66,885,957
Total	<u>\$ 183,444,500</u>

A schedule of the carrying value of property held for lease, by major classification, as of September 30, 2011 is as follows:

	<u>September 30, 2011</u>
Buildings	\$ 232,825,848
Less: accumulated depreciation	(134,539,869)
Net Buildings	<u>98,285,979</u>
Land	7,223,972
Total property held for lease	<u>\$ 105,509,951</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, 2011 amounted to approximately \$5,557,663 comprised of \$5,408,723 for Governmental funds, \$134,346 for Enterprise Funds, and \$14,594 for Internal Service Funds.

Operating Leases

Future minimum rental payments under non-cancellable operating leases as of September 30, 2011 are as follows:

<u>Fiscal Year</u>	<u>Governmental</u> <u>Funds</u>	<u>Enterprise</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>
2012	\$ 3,415,199	\$ 106,521	\$ 10,405
2013	2,441,090	70,074	4,180
2014	1,744,279	10,764	-
2015	634,693	-	-
2016	145,855	-	-
Thereafter	550,616	-	-
Total	<u>\$ 8,931,732</u>	<u>\$ 187,359</u>	<u>\$ 14,585</u>

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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. REFUNDING OF DEBT

Advance Refundings:

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 October 6, 2010, Palm Beach County issued \$28,700,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities), Series 2010 with an effective interest rate of 2.659% to advance refund \$14,730,000 of outstanding General Obligation Bonds (Recreational and Cultural Facilities), Series 2003 and \$15,080,000 of outstanding General Obligation Bonds (Recreational and Cultural Facilities), Series 2005. The net proceeds of \$34,236,814 (after allowing for \$5,783,466 in bond premium and \$246,652 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 \$3,349,077. 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 approximately \$1,434,588 over a period of fifteen years and incurred an economic gain of approximately \$1,169,745 (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.

On August 31, 2011, Palm Beach County issued \$62,775,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2011 with an effective interest rate of 3.653% to advance refund \$64,005,000 of outstanding Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004. The net proceeds of \$71,320,799 (after allowing for \$8,980,137 in bond premium and \$434,338 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 \$2,088,052. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. The County decreased its aggregate debt service payments by approximately \$33,765,831 over a period of nineteen years and incurred an economic gain of approximately \$26,780,622 (difference between

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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, 2011, consists of the following:

<u>Bond Issues</u>	<u>Amount</u>
Governmental Funds:	
Public Improvement Revenue Bonds (Convention Center Project), 2001	\$ 66,495,000
General Obligation Bonds (Library District Improvement Project), 2003	18,025,000
General Obligation Bonds (Recreational and Cultural Facilities), 2003	14,730,000
General Obligation Bonds (Recreational and Cultural Facilities), 2005	15,080,000
Public Imprvmnt Revenue Refunding Bonds (Convention Cntr Proj), 2004	64,005,000
	<u>178,335,000</u>
Proprietary Funds:	
Water & Sewer Refunding Revenue Bonds, 1986	5,495,000
Airport Refunding Revenue Bonds, 2002	14,740,000
	<u>20,235,000</u>
 Total Defeased Bonds Outstanding	 <u><u>\$ 198,570,000</u></u>

Current Refundings:

There were no current refundings during the current fiscal year.

COMPONENT UNIT – Solid Waste Authority (SWA)

In 2011, the SWA defeased \$20,209,629 Refunding Revenue Bonds, Series 1998A, by placing available cash in an irrevocable trust to provide for all future debt service payments on these bonds. In addition, in 2011 the SWA issued \$750,000,000 Improvement Revenue Bonds, Series 2010, and immediately placed the proceeds of these bonds in an irrevocable trust to provide for all future debt service payments on these bonds. The trust account assets and the liability for these defeased bonds are not included in the SWA’s financial statements, but are outstanding and considered defeased at September 30, 2011.

12. RESTATEMENTS AND RECLASSIFICATIONS

Restatement for Adoption of New Accounting Standard

The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in Fiscal Year 2011. As a result, the County had to eliminate certain special revenue funds that no longer qualified to comply with the new standard, which affected beginning fund balances in several funds and opinion units as reported below.

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Reclassifications

In addition, in the current year the Community & Social Development Special Revenue fund and General Government Capital Projects fund became major funds. Also, a subfund of the Other Special Revenue funds was reclassified into the General fund for financial reporting and a subfund of the Parks and Recreation Capital Projects nonmajor fund was reclassified to the General Government Capital Projects fund which affected the beginning fund balance of multiple funds as follows:

	Major Funds				
	General Fund	Sheriff Special Revenue Fund	Community & Social Development Special Revenue Fund	General Government Capital Projects Fund	Other Governmental Funds
Fund balance, as originally reported, October 1, 2010	\$169,115,997	\$6,902,384	N/A	N/A	\$602,728,315
<i>Restatements for adoption of new accounting standard:</i>					
Elimination of Clerk & Comptroller Special Revenue Fund	12,473,770	-	-	-	(12,473,770)
Elimination of Sheriff Special Revenue Fund	6,902,384	(6,902,384)	-	-	-
<i>Reclassifications:</i>					
General Government Capital Projects fund	-	-	-	164,241,780	(164,241,780)
Community & Social Development Special Revenue fund	-	-	3,387,194	-	(3,387,194)
Sales Tax Fund reported in Other Special Revenue Nonmajor fund	4,968,532	-	-	-	(4,968,532)
Capital projects subfunds reported in Parks & Recreation Capital Projects Nonmajor fund	-	-	-	37,374	(37,374)
Fund balance, as restated, October 1, 2010	<u>\$193,460,683</u>	<u>\$0</u>	<u>\$3,387,194</u>	<u>\$164,279,154</u>	<u>\$417,619,665</u>

N/A- Fund not reported as major in prior year

13. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2011 are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2011 were as follows:

Interfund Receivable Fund	Interfund Payable Fund	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Community & Social Development Special Revenue Fund	\$ 15,740,737
	Palm Tran Special Revenue Fund	8,021,641
	Law Enforcement Grant Special Revenue Fund	5,475,514
	County Transportation Trust Special Revenue Fund	895,850
	Other Special Revenue Funds	468,816
	Airports	124,885
	Clerk & Comptroller Insurance Fund	88,685
	Water Utilities	8,073
	Library Taxing District Special Revenue Fund	3,396
	Road Program Capital Projects	219
		<u>30,827,816</u>
Fire Rescue Special Revenue Fund	General Fund	<u>2,523,521</u>

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Interfund Receivable Fund	Interfund Payable Fund	Amount
Community & Social Development Special Revenue Fund	General Fund	7,033,528
	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	112,214
		<u>7,145,742</u>
Road Program Capital Project	County Transportation Trust Special Revenue Fund	1,365,592
	Palm Tran	21,091
		<u>1,386,683</u>
General Government Capital Projects	Community & Social Development Special Revenue Fund	207,434
	General Fund	84,893
		<u>292,327</u>
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Tourist Development Special Revenue Fund	Environmental Lands Capital Projects	\$ 395,590
Law Enforcement Grants Special Revenue Fund	General Fund	9,900,460
	Other Special Revenue Funds	5,199
		<u>9,905,659</u>
County Transportation Trust Special Revenue Fund	Road Program Capital Projects	1,385,214
Library Taxing District Special Revenue Fund	General Fund	519,483
Affordable Housing Trust Fund (SHIP) Special Revenue Fund	General Fund	141,550
	Community & Social Development Special Revenue Fund	16,848
		<u>158,398</u>
Palm Tran Special Revenue Fund	General Fund	45,271
	Community & Social Development Special Revenue Fund	30,904
		<u>76,175</u>
Other Special Revenue Funds	General Fund	111,860
	Law Enforcement Grants Special Revenue Fund	183,719
		<u>295,579</u>
Street & Drainage Capital Projects	General Fund	3,719
Total Nonmajor Governmental Funds		<u>\$ 12,739,817</u>
Proprietary Funds:		
Enterprise Funds		
Airports	Other Special Revenue Funds	\$ 3,266
Water Utilities	General Fund	14,185
	Community & Social Development Special Revenue Fund	58
	General Government Capital Projects	23,896
		<u>38,139</u>
Total Enterprise Funds		<u>\$ 41,405</u>
Internal Service Funds		
Fleet Management	General Fund	\$ 1,344,615
	Palm Tran Special Revenue Fund	44,558
	County Transportation Trust Special Revenue Fund	672,582
	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	1,466
	Municipal Service Taxing District Special Revenue Fund	36,081

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Interfund Receivable Fund	Interfund Payable Fund	Amount
	Library Taxing District Special Revenue Fund	13,761
	Community & Social Development Special Revenue Fund	59,088
	Fire Rescue Special Revenue Fund	143,180
	Other Special Revenue Funds	33,466
	Road Program Capital Projects	18,502
	Airports	57,999
	Water Utilities	354,555
	Combined Insurance Fund	368
		<u>2,780,221</u>
Combined Insurance Fund	General Fund	404,484
	Palm Tran Special Revenue Fund	90,782
	Tourist Development Special Revenue Fund	865
	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	1,170
	Law Enforcement Grants Special Revenue Fund	331
	County Transportation Trust Special Revenue Fund	63,975
	Municipal Service Taxing District Special Revenue Fund	21,173
	Library Taxing District Special Revenue Fund	69,718
	Community & Social Development Special Revenue Fund	75,878
	Fire Rescue Special Revenue Fund	11,320
	Other Special Revenue Funds	11,559
	Road Program Capital Projects Fund	9,878
	Airports	29,476
	Water Utilities	111,959
	Fleet Management	13,136
		<u>915,704</u>
Clerk & Comptroller Insurance Fund	General Fund	<u>164,813</u>
Total Internal Service Funds		<u>\$ 3,860,738</u>
Total Interfund Receivables and Payables Primary Government		<u>\$ 58,818,049</u>

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.

Receivables and Payables Between Primary Government and Component Units:

Receivable Primary Government Fund	Payable Component Unit Fund	Amount
Parks & Recreation Capital Projects Fund	Metropolitan Planning Organization	\$ 69,133
Combined Insurance Fund	Metropolitan Planning Organization	1,768
General Fund	Solid Waste Authority	27,647
Fleet Management	Solid Waste Authority	1,579
General Fund	Housing Finance Authority	17,976
		<u>118,103</u>

Receivable Component Unit Fund	Payable Primary Government Fund	Amount
Westgate/Belvedere Homes CRA	Community & Social Development Special Revenue Fund	100,188
Housing Finance Authority	General Fund	6,244,432
Metropolitan Planning Organization	General Fund	153,824
Solid Waste Authority	County Transportation Trust Special Revenue Fund	4,264
	General Fund	2,127,204
		<u>8,629,912</u>

Total Receivables and Payables Between Primary Government and Component Units \$ 8,748,015

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14. 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, 2011 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	\$ 250,470,000	\$ 28,700,000	\$ 52,625,000	\$ 226,545,000	\$ 19,205,000
Non-ad valorem revenue bonds	877,633,232	93,466,407	123,013,367	848,086,272	62,394,445
Face amount of bonds payable	1,128,103,232	122,166,407	175,638,367	1,074,631,272	81,599,445
Unamortized bond premiums	29,955,848	14,763,603	9,205,110	35,514,341	-
Unamortized loss on bond refinancing	(12,114,241)	(5,437,129)	(7,938,539)	(9,612,831)	-
Net bonds payable	1,145,944,839	131,492,881	176,904,938	1,100,532,782	81,599,445
Notes and loans payable	30,316,668	6,668,000	855,783	36,128,885	17,114,544
Arbitrage liability	13,405,781	92,604	4,841,843	8,656,542	245,443
Compensated absences	128,230,609	41,164,899	44,944,563	124,450,945	5,457,532
OPEB	50,967,256	19,358,291	5,838	70,319,709	-
Net pension obligation	2,753,378	10,026,804	4,724,808	8,055,374	-
Termination benefits	1,861,372	1,773,564	694,467	2,940,469	1,553,768
Estimated Self-Insurance Obligation	97,740,066	88,552,257	99,002,373	87,289,950	14,259,876
Governmental activity long-term liabilities	<u>\$ 1,471,219,969</u>	<u>\$ 299,129,300</u>	<u>\$ 331,974,613</u>	<u>\$ 1,438,374,656</u>	<u>\$ 120,230,608</u>

Long-term liabilities other than debt (bonds and loans) 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 \$55,099,637 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	\$ 354,178,000	\$ -	\$ 26,240,000	\$ 327,938,000	\$ 18,313,000
Unamortized bond premiums	7,436,367	-	951,976	6,484,391	-
Unamortized loss on bond refinancing	(1,376,466)	-	(826,601)	(549,865)	-
Net bonds payable	360,237,901	-	26,365,375	333,872,526	18,313,000
Arbitrage liability	644,798	-	361,280	283,518	-
Joint venture liability	1,686,883	-	281,667	1,405,216	283,730
Compensated absences	4,238,100	146,606	224,531	4,160,175	280,595
OPEB	200,613	-	49,222	151,391	-
Termination benefits	311,910	190,602	45,198	457,314	237,153
Business-type activities long-term liabilities	<u>\$ 367,320,205</u>	<u>\$ 337,208</u>	<u>\$ 27,327,273</u>	<u>\$ 340,330,140</u>	<u>\$ 19,114,478</u>

* Beginning in FY11, the Solid Waste Authority is considered a Discrete Component Unit rather than a Blended Component Unit. As a result, last year's ending balance of \$1,031,491,392 has been reduced by \$664,171,187.

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Governmental Activities General Long-Term Debt

General long-term debt, including current maturities, at September 30, 2011 consisted of the following:

General Obligation Bonds

\$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 \$3,440,000 to \$4,030,000 through December 1, 2014; with an interest rate of 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. \$ 14,920,000

\$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 \$1,310,000 to \$1,350,000 through July 1, 2013; with interest rates from 3.000% 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. \$ 2,660,000

\$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 \$1,125,000 to \$1,165,000 through July 1, 2013; with interest rates from 3.250% to 3.375% 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 \$14,730,000 of this issue on October 6, 2010. \$ 2,290,000

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\$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 \$1,395,000 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. \$ 13,210,000

\$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 \$1,045,000 to \$1,155,000 through July 1, 2015; with interest rates from 3.250% to 4.000% 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. The County advance refunded \$15,080,000 of this issue on October 6, 2010. \$ 4,395,000

\$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 \$965,000 to \$1,665,000 through August 1, 2025; 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. \$ 17,960,000

\$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 \$2,045,000 to \$3,570,000 through August 1, 2026; with interest rates from 3.600% 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. \$ 40,745,000

\$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 \$7,630,000 to \$11,355,000 through June 1, 2020; with interest rates from 5.735% 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. \$ 82,710,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$240,000 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. \$ 19,200,000

\$28,700,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities), Series 2010 were issued for paying and defeasing a portion of the County's outstanding General Obligation Bonds (Recreational and Cultural Facilities), Series 2003 maturing on and after July 1, 2014 and a portion of its General Obligation Bonds (Recreational and Cultural Facilities), Series 2005 maturing on and after July 1, 2016. The annual installments range from \$0 to \$3,335,000 through July 1, 2025; with interest rates from 4.000% 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. \$ 28,455,000

Total General Obligation Bonds \$ 226,545,000

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 \$0 to \$19,615,000 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

\$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 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

PALM BEACH COUNTY, FLORIDA
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\$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 \$1,745,000 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. \$ 7,510,000

\$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 \$640,000 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. \$ 1,985,000

\$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 3.000% 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. \$ 64,250,000

\$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 \$2,140,000 to \$2,850,000 through November 1, 2014; 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. The County advance refunded \$64,005,000 of this issue on August 31, 2011. \$ 10,405,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$1,670,000 to \$2,715,000 through November 1, 2024; with interest rates from 3.100% 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. \$ 29,725,000

\$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 0.338% 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. \$ 9,771,004

\$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 \$1,640,000 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. \$ 10,855,000

\$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 \$1,240,000 to \$1,605,000 through December 1, 2017; with interest rates from 3.300% 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. \$ 9,885,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$955,000 to \$1,120,000 through November 1, 2015; with interest rates from 3.625% 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.

\$ 5,165,000

\$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 \$5,405,000 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.

\$ 105,920,000

\$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 \$1,690,000 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.

\$ 11,280,000

\$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 \$1,517,825 to \$1,641,680 through January 1, 2014; with a variable rate of interest in effect of 0.541% 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.

\$ 4,738,043

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\$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 \$565,000 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. \$ 12,645,000

\$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 \$97,350 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. \$ 2,308,947

\$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 \$173,329 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. \$ 4,703,987

\$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 \$3,460,000 to \$7,490,000 through November 1, 2027; with interest rates from 4.250% 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. \$ 88,505,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$5,927,334 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. \$ 18,336,192

\$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. \$ 18,970,000

\$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 \$3,375,000 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. \$ 168,165,000

\$94,235,000 Public Improvement Revenue Bonds, Series 2008-2 were issued to fund a grant 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 \$3,160,000 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. \$ 88,130,000

\$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. \$ 10,796,692

PALM BEACH COUNTY, FLORIDA
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\$30,691,407 Revenue Improvement Bond (Ocean Avenue Lantana Bridge and Max Planck Florida Corporation Projects), Series 2011 was issued to finance the costs of demolition and reconstruction of the Ocean Avenue Lantana Bridge and to fund a \$15,615,000 Grant to the Max Planck Florida Corporation. The annual installments range from \$1,112,210 to \$2,032,212 through August 1, 2031; with an interest rate of 3.172% 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. \$ 30,691,407

\$62,775,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2011 were issued to defease and pay at redemption that portion of the County's outstanding \$81,340,000 original aggregate principal amount of Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004 maturing on November 1, 2030. The annual installments range from \$0 to \$5,560,000 through November 1, 2030; with an interest rate of 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. \$ 62,775,000

Total Non-Ad Valorem Revenue Bonds \$ 848,086,272

Face Amount of Bonds Payable	\$1,074,631,272
Unamortized bond premiums	35,514,341
Unamortized loss on bond refinancing	<u>(9,612,831)</u>
Net General Obligation and Non-Ad Valorem Revenue Bonds	<u>\$1,100,532,782</u>

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 4.960% 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. \$ 1,051,000

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\$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 1.068% 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. \$ 9,943,025

\$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 1.092% 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

\$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 0.526% 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, 2011 the outstanding individual loans are as follows:

\$199,000 – Glades Gas & Electric, 2009	\$ 169,000
\$ 89,000 – Glades Home Health Care Medical Center, 2010	\$ 80,100
\$878,000 – Muslet Brothers, 2010	\$ 855,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$228,000 to \$508,000 through August 1, 2030; with a variable rate of interest in effect of 0.526% 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, 2011 the outstanding individual loans are as follows:

\$1,000,000 – The Baron Group, 2009	\$ 800,000
\$ 57,000 – Kiddie Haven Pre-School, 2010	\$ 51,000
\$ 250,000 – Concrete Services LLC, 2010	\$ 229,000
\$5,948,000 – Oxygen Development LLC, 2011	\$ 5,948,000
\$ 265,000 – Donia Adams Roberts PA, 2011	\$ 262,000
\$ 198,000 – Ameliascapes, 2011	\$ 198,000
\$ 257,000 – F&T of Belle Glade, 2011	\$ 253,000

\$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 \$5,000 to \$8,000 through August 1, 2030; with a variable rate of interest in effect of 0.526% 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, 2011 the outstanding individual loans are as follows:

\$152,000 – Circle S Pharmacy, 2010	\$ 149,000
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Total Notes and Other Loans Payable	\$ 36,128,885
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PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Lines of Credit

On May 21, 2009, the County entered into a 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 several of the County's outstanding bond issues. Principal borrowed on the line of credit is due at maturity on May 20, 2012. 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. As of September 30, 2011, this \$33,709,176 line of credit, covering six of the County's outstanding bond issues, had no outstanding balance on the loan payable.

On June 4, 2009, the County entered into a 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 several of the County's outstanding bond issues. Principal borrowed on the line of credit is due at maturity on June 3, 2012. 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. As of September 30, 2011, this \$22,568,948 line of credit, covering four of the County's outstanding bond issues, had no outstanding balance on the loan payable.

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.

\$ 8,656,542

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Compensated absences

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

County Funds:

General Fund	\$	15,634,350	
Special Revenue Funds		23,573,150	
Capital Projects Fund		662,868	
Internal Service Funds		750,938	

Constitutional Officers:

Sheriff		80,274,838	
Tax Collector		1,031,467	
Property Appraiser		2,312,380	
Supervisor of Elections		210,954	

\$ 124,450,945

OPEB (See note on OPEB) 70,319,709

Net pension obligation (See note on Retirement Plans) 8,055,374

Termination benefits (See note on Commitments) 2,940,469

Estimated Self-Insurance Obligation (See note on Risk Management) 87,289,950

Total Governmental Activities General Long-Term Debt including current portion		\$1,438,374,656	
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Business-type Activities Long-Term Debt

Business-type long-term debt, including current portion, at September 30, 2011 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 remaining annual installment is \$1,715,000 due October 1, 2011; with an interest rate of 4.500% payable on October 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 Wastewater System and a first lien on and pledge of the connection charges of the system.

\$ 1,715,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$950,000 to \$1,120,000 through October 1, 2013; with interest rates from 2.750% 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. \$ 3,150,000

\$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 \$2,335,000 to \$7,760,000 through October 1, 2036; with interest rates from 4.000% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Wastewater System and a first lien on and pledge of the connection charges of the system. \$ 117,265,000

\$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 \$50,000 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. \$ 12,275,000

\$6,473,000 Water and Sewer Revenue Refunding Bonds, Series 2008 were issued to pay for refunding all of the County's outstanding Water and Sewer Revenue Bonds, Series 1985. The remaining annual installment is \$1,928,000 due October 1, 2011; with an interest rate of 3.250% payable on October 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. \$ 1,928,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$0 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. \$ 60,260,000

\$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 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

\$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 \$0 to \$6,055,000 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 \$0 to \$3,225,000 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

Total face value of revenue bonds payable	\$ 327,938,000
Unamortized bond premiums	6,484,391
Unamortized loss on bond refinancing	(549,865)
Net Revenue Bonds, Business-Type Activities	\$ 333,872,526

Arbitrage liability (See explanation in Governmental Activities section) \$ 283,518

**PALM BEACH COUNTY, FLORIDA
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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. \$ 1,405,216

Compensated absences

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

Business-Type Fund

Water Utilities Department	\$	3,048,340	
Department of Airports		1,111,835	
	\$		4,160,175
OPEB (See note on OPEB)			151,391
Termination benefits (See note on Retirement Plans)			457,314
Total Business-Type Activities Long-Term Debt, including current portion			\$ 340,330,140

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		Notes and Loans Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$ 19,205,000	\$ 10,858,067	\$ 62,394,445	\$ 38,595,775	\$ 17,114,543	\$ 388,097	\$ 148,555,927
2013	20,130,000	9,933,855	65,459,861	36,996,583	1,245,784	199,771	133,965,854
2014	21,010,000	8,950,837	68,036,285	34,157,921	1,256,784	186,086	133,597,913
2015	22,025,000	7,920,310	62,334,306	31,006,341	1,256,784	172,248	124,714,989
2016	18,845,000	6,938,952	39,602,682	27,753,587	1,257,784	158,262	94,556,267
2017-2021	88,525,000	19,786,830	191,110,432	112,067,903	6,025,019	578,798	418,093,982
2022-2026	36,805,000	4,216,203	186,762,731	65,427,103	5,165,419	248,092	298,624,548
2027-2031	-	-	107,200,530	28,251,335	2,806,768	40,206	138,298,839
2032-2036	-	-	44,235,000	12,088,500	-	-	56,323,500
2037-2041	-	-	20,950,000	1,584,000	-	-	22,534,000
Total	\$ 226,545,000	\$ 68,605,054	\$ 848,086,272	\$ 387,929,048	\$ 36,128,885	\$ 1,971,560	\$ 1,569,265,819

PALM BEACH COUNTY, FLORIDA
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Annual debt service requirements to maturity for business-type activities long-term debt are as follows:

Business-type Activities Long-Term Debt
Revenue Bonds

Year Ending September 30	Principal	Interest	Total
2012	\$ 18,313,000	\$ 16,144,698	\$ 34,457,698
2013	17,460,000	15,234,499	32,694,499
2014	18,385,000	14,277,824	32,662,824
2015	18,385,000	13,300,980	31,685,980
2016	8,550,000	12,601,895	21,151,895
2017-2021	42,275,000	56,451,555	98,726,555
2022-2026	45,945,000	45,574,112	91,519,112
2027-2031	58,565,000	32,623,869	91,188,869
2032-2036	74,895,000	15,884,446	90,779,446
2037-2041	25,165,000	1,647,543	26,812,543
Total	<u>\$ 327,938,000</u>	<u>\$ 223,741,421</u>	<u>\$ 551,679,421</u>

COMPONENT UNIT – Solid Waste Authority (SWA)

NOTE PAYABLE

On January 9, 2008, the SWA entered into an \$80 million Subordinated Improvement Revenue Note, Series 2008 (the “Series 2008 Note”) with CitiCapital Municipal Finance to finance costs incurred in connection with the relocation of facilities and improvements to the solid waste system. Interest on the outstanding principal balance of the Series 2008 Note accrues at a rate equivalent to 65% of the one month LIBOR rate plus 82 basis points (approximately 0.96% at September 30, 2011) and is due semi-annually in arrears on April 1st and October 1st. The outstanding principal balance on the Series 2008 Note was \$68 million at September 30, 2011 and is payable in annual installments of \$4 million on October 1st through maturity on October 1, 2027. Borrowings on the Series 2008 Note are payable from and secured by a pledge of the net revenues of the solid waste system and all moneys and amounts held under the SWA’s trust indenture, subordinate to the lien and pledge of net revenues and trust amounts for repayment of the SWA’s bonds. The Series 2008 Note may be prepaid by the SWA on any principal or interest payment date.

REVENUE BONDS PAYABLE

Revenue bonds payable by the SWA at September 30, 2011 are summarized as follows:

Series 2009	\$ 261,545,000
Series 2008 B	131,565,000
Series 2004	33,935,000
Series 2002 B	38,734,386
Series 1998 A	14,030,803
Unamortized premium/(discount), net	<u>4,271,698</u>
Net revenue bonds payable	484,081,887
Less current maturities	<u>(38,985,830)</u>
Revenue bonds payable, long-term portion	<u>\$ 445,096,057</u>

PALM BEACH COUNTY, FLORIDA
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Series 2010: \$750,000,000 Solid Waste Authority of Palm Beach County Improvement Revenue Bonds, Series 2010 dated December 28, 2010. The Series 2010 Bonds were issued 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 funds contributed by the SWA, after payment of costs of issuance, were 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 SWA, nor is the Authority obligated for repayment of these bonds. The SWA incurred a loss of approximately \$2,436,000 on the defeasance of the Series 2010 Bonds. The Series 2010 Special Fund secures the Series 2010 Bonds until the bonds are paid at maturity or are remarketed in January 2012. If the bonds are remarketed, then at that time the moneys in the Series 2010 Special Fund will be made available to the SWA to fund construction costs.

Subsequent Event: Due to favorable interest rates, on October 6, 2011, the Authority issued \$599,800,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2011, for the purpose of providing funds, together with other legally available monies of the SWA to refund and retire the SWA’s Improvement Revenue Bonds, Series 2010, when remarketed in January 2012 and to pay the costs of issuance of the Series 2011 bonds. The proceeds from the sale of the Series 2011 Bonds, after payment of costs of issuance, were deposited into an irrevocable trust with an independent trustee to currently refund \$600 million of the Series 2010 Bonds when remarketed in January 2012. On January 12, 2012, the trustee acquired and paid \$600 million of the Series 2010 Bonds and moneys were released from the Series 2010 Special Fund to be used as follows: (1) \$600,000,000 to fund the Construction Fund for the 2010 Project; (2) approximately \$39.3 million to fund a debt service reserve fund; and (3) the remainder to pay the Series 2010 Bonds that were not remarketed.

The SWA funded the project in this manner to avoid uncertainty in the bond market and best ensure that sufficient funds would be available for the project once all permits and approvals were in hand and a contract had been executed to construct the facility. The contract was signed on April 13, 2011 and the project is underway.

The SWA, in anticipation of issuing the 2011 Series Bonds, received bond rating upgrades from Moody’s Investors Service and Standard and Poors from Aa3 to Aa2 and AA to AA+, respectively.

Series 2009: \$261,545,000 Solid Waste Authority of Palm Beach County Improvement Revenue Bonds, Series 2009 dated April 23, 2009. The Series 2009 Bonds were issued for the purpose of funding various solid waste system projects, funding a deposit to the Debt Service Reserve Account, purchasing a bond insurance policy on the Series 2009 Bonds, and paying the costs of issuance for the Series 2009 Bonds.

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Interest on the Series 2009 Bonds is payable semi-annually on April 1st and October 1st and principal payments are due on October 1st, beginning October 1, 2011 with the final payment due on October 1, 2028. The debt service requirements and interest rates of the Series 2009 Bonds are as follows:

<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	3.00%	\$ 2,500,000	\$ 13,136,880	\$ 15,636,880
2013	3.00	2,500,000	13,061,880	15,561,880
2014	3.00	2,695,000	12,983,955	15,678,955
2015	3.00	2,895,000	12,900,105	15,795,105
2016	3.10	3,095,000	12,808,708	15,903,708
2017	3.40	3,650,000	12,698,685	16,348,685
2018	3.40	22,485,000	12,096,635	34,581,635
2019	3.40	23,690,000	10,955,991	34,645,991
2020	3.40	25,025,000	9,732,879	34,757,879
2021	3.40	26,400,000	8,406,410	34,806,410
2022	3.40	27,935,000	6,973,166	34,908,166
2023	3.40	29,525,000	5,437,318	34,962,318
2024	3.40	31,270,000	3,775,306	35,045,306
2025	5.00	22,410,000	2,359,650	24,769,650
2026	5.00	7,920,000	1,601,400	9,521,400
2027	5.00	8,335,000	1,195,025	9,530,025
2028	5.00	8,855,000	765,275	9,620,275
2029	5.25	10,360,000	271,950	10,631,950
		<u>\$ 261,545,000</u>	<u>\$ 141,161,218</u>	<u>\$ 402,706,218</u>

Series 2008B: \$131,565,000 Solid Waste Authority of Palm Beach County Improvement Revenue Bonds, Series 2008B dated November 25, 2008. The Series 2008B Bonds were issued for the purpose of funding various solid waste system projects, funding a deposit to the Debt Service Reserve Account, and paying the costs of issuance for the Series 2008B Bonds.

Interest on the Series 2008B Bonds is payable semi-annually on April 1st and October 1st and principal payments are due on October 1st, beginning October 1, 2024 with the final payment due on October 1, 2028. The debt service requirements and interest rates of the Series 2008B bonds are as follows:

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<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	5.50%	\$ -	\$ 7,241,394	\$ 7,241,394
2013	5.50	-	7,241,394	7,241,394
2014	5.50	-	7,241,394	7,241,394
2015	5.50	-	7,241,394	7,241,394
2016	5.50	-	7,241,394	7,241,394
2017	5.50	-	7,241,394	7,241,394
2018	5.50	-	7,241,394	7,241,394
2019	5.50	-	7,241,394	7,241,394
2020	5.50	-	7,241,394	7,241,394
2021	5.50	-	7,241,394	7,241,394
2022	5.50	-	7,241,394	7,241,394
2023	5.50	-	7,241,394	7,241,394
2024	5.50	-	7,241,394	7,241,394
2025	5.50	10,700,000	6,944,484	17,644,484
2026	5.50	27,035,000	5,904,113	32,939,113
2027	5.50	28,630,000	4,373,325	33,003,325
2028	5.50	30,235,000	2,754,538	32,989,538
2029	5.50	34,965,000	961,534	35,926,534
		<u>\$ 131,565,000</u>	<u>\$ 115,076,116</u>	<u>\$ 246,641,116</u>

Series 2004: \$34,385,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2004 dated March 2, 2004. The Series 2004 Bonds were issued for the purpose of advance refunding the outstanding Series 1997B Bonds and paying the costs of issuance for the Series 2004 Bonds.

Net proceeds of approximately \$37.7 million from the Series 2004 Bonds plus approximately \$760,000 of sinking fund monies were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide sufficient funds to retire the outstanding \$33,885,000 Series 1997B Bonds.

The advance refunding of the Series 1997B Bonds by the SWA reduced its aggregate debt service payments by approximately \$1,873,000 over the life of the bonds and produced an economic gain (the difference between the present values of the old and new debt service payments) of approximately \$1,644,000. Interest on the Series 2004 Bonds is payable semi-annually on April 1st and October 1st and principal payments are due October 1st.

The debt service requirements and interest rates of the Series 2004 Bonds are as follows:

<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	2.50%	<u>\$ 33,935,000</u>	<u>\$ 752,775</u>	<u>\$ 34,687,775</u>

Series 2002: \$30,560,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2002A and \$39,869,386 Revenue Bonds, Series 2002B, both dated November 7, 2002. The Series 2002B Bonds include term bonds of \$1,135,000 and capital appreciation bonds

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of \$38,734,386. The Series 2002 Bonds were issued for the purpose of currently refunding the Series 1992 bonds due on December 1, 2003 and thereafter, providing \$39 million for capital improvements to the solid waste system, and paying the costs of issuance for the Series 2002 Bonds.

Net proceeds of approximately \$31.3 million from the Series 2002A Bonds plus approximately \$740,000 of sinking fund monies were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide sufficient funds to call and retire the remaining \$30,530,000 Series 1992 Bonds on December 12, 2002.

The advance refunding of the Series 1992 Bonds by the SWA reduced its aggregate debt service payments by approximately \$1,984,000 over the life of the bonds and produced an economic gain (the difference between the present values of the old and new debt service payments) of approximately \$1,162,000. Interest on the Series 2002 Bonds, except for the \$38,734,386 Series 2002B capital appreciation bonds, is payable semi-annually on April 1st and October 1st and principal payments are due October 1st.

The debt service requirements and interest rates of the remaining Series 2002B Bonds are as follows:

<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	4.850%	\$ 13,769,586	\$ 10,585,414	\$ 24,355,000
2016	4.950	12,961,000	11,394,000	24,355,000
2017	5.050	<u>12,003,800</u>	<u>12,006,200</u>	<u>24,010,000</u>
		<u>\$ 38,734,386</u>	<u>\$ 33,985,614</u>	<u>\$ 72,720,000</u>

Series 1998: \$36,405,432 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 1998A and \$19,170,000 Refunding Revenue Bonds, Taxable Series 1998B, both dated August 1, 1998, except for \$34,240,432 Capital Appreciation Series 1998A Bonds dated September 2, 1998, the date of issuance. The Series 1998 Bonds were issued for the purpose of providing a portion of the funds required to advance refund \$24,485,000 Refunding Revenue Bonds, Series 1989; \$18,285,000 Refunding and Improvement Revenue Bonds, Series 1992; and \$20,735,000 Refunding Revenue Bonds, Series 1997 and paying the costs of issuance of the Series 1998 Bonds.

Net proceeds of approximately \$54.4 million from the Series 1998 Bonds plus approximately \$11.9 million of sinking fund monies and other available SWA funds were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded \$24,485,000 Series 1989 Bonds; \$18,285,000 Series 1992 Bonds; and, \$20,735,000 Series 1997 Bonds. As a result, these bonds are considered to be defeased and the liability removed from the statements of net assets.

The advance refunding of the Series 1989, 1992 and 1997 Bonds by the SWA increased its aggregate debt service payments by approximately \$4.4 million over the life of the bonds and

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produced an economic loss (the difference between the present values of the old and new debt service payments) of approximately \$855,000. The purpose of the advance refunding was to level the annual debt service payments of the SWA over the term of all outstanding revenue bonds and extend repayment dates by approximately two years. Interest on the Series 1998 Bonds, except for the capital appreciation bonds, is payable semi-annually on April 1st and October 1st and principal payments are due October 1st.

On September 1, 2011, the SWA deposited approximately \$40.5 million into an escrow account to defease \$20,209,629 of 1998A Capital Appreciation Bonds that have a scheduled maturity date of October 1, 2012. This transaction resulted in a loss on extinguishment of the debt in the amount of approximately \$2,122,000.

The debt service requirements and interest rates of the remaining Series 1998A Bonds are as follows:

<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	4.90%	\$ 2,550,830	\$ 2,254,170	\$ 4,805,000
2014	5.05	<u>11,479,973</u>	<u>12,875,027</u>	<u>24,355,000</u>
		<u>\$ 14,030,803</u>	<u>\$ 15,129,197</u>	<u>\$ 29,160,000</u>

Series 1997: \$266,590,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 1997A and \$33,885,000 Improvement Revenue Bonds, Series 1997B, both dated April 1, 1997. The Series 1997A Bonds were issued for the purpose of providing a portion of the funds required to advance refund the SWA's outstanding Adjustable Fixed Rate Revenue Bonds, Series 1984, dated December 1, 1984. The Series 1997B Bonds were issued for the purpose of funding \$30,250,000 of improvements to the solid waste system and paying certain costs of issuance with respect to the Series 1997 Bonds and certain costs with respect to the refunding. The remaining principal outstanding plus all accrued interest was paid in full during the year ended September 30, 2010.

Net proceeds of approximately \$276.2 million from the Series 1997A and 1997B Bonds plus approximately \$9.7 million of sinking fund and debt service reserve monies from the Series 1984 Bonds and \$6.8 million of the proceeds from the Solid Waste Authority of Palm Beach County Subordinated Revenue Note Payable, Series 1997C were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide sufficient funds to call and retire the \$276,200,000 Series 1984 Bonds on July 1, 1997. The advance refunding of the Series 1984 Bonds reduced the SWA's aggregate debt service payments by approximately \$27 million over the life of the bonds and produced an economic gain (the difference between the present values of the old and new debt service payments) of approximately \$18 million.

Annual Maturities: The aggregate maturities for the outstanding bonds of the SWA, including total interest of \$306,104,920 are as follows:

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<u>Year Ending September 30</u>	<u>Revenue Bonds</u>
2012	\$ 62,371,049
2013	22,803,274
2014	47,275,349
2015	47,391,499
2016	47,500,101
2017-2021	215,357,569
2022-2026	211,514,618
2027-2029	<u>131,701,650</u>
	<u>\$ 785,915,109</u>

Interest Expense: Total interest costs incurred on all SWA debt for the year ended September 30, 2011 were \$28,360,727. For the year ended September 30, 2011, interest costs of \$17,123,683 were capitalized on construction in progress and \$11,237,044 was expensed.

CHANGES IN NONCURRENT LIABILITIES

Changes in long-term debt for the year ended September 30, 2011 are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Compensated absences	\$ 5,084,728	\$ 2,454,693	\$2,510,674	\$5,028,747	\$ 372,878
OPEB	347,029	-	19,470	327,559	-
Landfill closure and postclosure care costs	36,563,206	1,971,468	-	38,534,674	322,759
Note Payable, Series 2008	72,000,000	-	4,000,000	68,000,000	4,000,000
Accrued interest payable on capital appreciation bonds	46,252,966	5,855,425	18,193,378	33,915,013	2,254,170
Revenue Bonds					
Series 2010	-	750,000,000	750,000,000	-	-
Series 2009	261,545,000	-	-	261,545,000	2,500,000
Series 2008B	131,565,000	-	-	131,565,000	-
Series 2004	33,980,000	-	45,000	33,935,000	33,935,000
Series 2002B	38,734,386	-	-	38,734,386	-
Series 1998A	<u>34,240,432</u>	<u>-</u>	<u>20,209,629</u>	<u>14,030,803</u>	<u>2,550,830</u>
Totals	<u>\$660,312,747</u>	<u>\$760,281,586</u>	<u>\$794,978,151</u>	625,616,182	<u>\$45,935,637</u>
Unamortized premium and discount, net				4,271,698	
Current maturities				<u>(45,935,637)</u>	
Net long-term debt				<u>\$ 583,952,243</u>	

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CONDUIT DEBT

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 \$30 million. As of September 30, 2011, there were thirty-nine series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of \$607 million.

15. 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 effect 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.

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

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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.

COMPONENT UNIT - 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.

16. PLEDGED REVENUES

The County has pledged a portion of future non-ad valorem revenues to repay \$874 million in revenue bonds, notes and loans issued between July 1, 1990 and August 31, 2011. 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 \$118 million in fiscal year 2012. The pledged non-ad valorem revenues, from which the appropriations will be made, have averaged \$340 million per year over the last 10 years. Principal and interest paid for the current year and total pledged non-ad valorem revenues were \$101 million and \$368 million, respectively.

The County has pledged future airport revenues net of specified operating expenses, to repay \$131 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 \$209 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 \$197 million in water & sewer revenue bonds issued between June 24, 1998 and July 22,

PALM BEACH COUNTY, FLORIDA
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SEPTEMBER 30, 2011

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 \$343 million with annual requirements ranging from \$211 thousand in fiscal years 2039 and 2040 to \$17 million in fiscal year 2012. 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 \$20 million and \$64 million, respectively.

17. ACCOUNTING CHANGES

Effective October 1, 2010, the County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Changes to the government fund type fund balance reporting are reflected in the financial statements and schedules and related disclosures are included in Note 1 under Section S., “Fund Balance”. Refer to Note 12 for further information on restatements made to the financial statements as a result of implementing GASB Statement No. 54.

Effective October 1, 2010, the County implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which amends accounting and financial reporting standards for including, presenting, and disclosing information about governmental component units, including equity interests. This statement amends GASB Statements No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, related to the blending of component units by requiring that at least one of two additional criteria be met: (1) the primary government and the component unit are financially interdependent (i.e. there is a relationship of potential financial benefit or burden between them), or (2) Management responsible for the day-to-day operations of the primary government also manages the component unit’s day-to-day activities in much the same way.

As a result of the implementation of GASB Statement No. 61, the Solid Waste Authority (SWA) no longer meets the new criteria of a blended component unit and is now reported as a discretely reported component unit in the County’s financial statements based on the following; (1) The SWA and Palm Beach County are completely independent of each other in that the County is not responsible for any repayment of debt or to fund any operating losses of the SWA, plus the SWA has its own source of revenue for operations. Further, budgets are not required to be approved by Palm Beach County. SWA has the ability to issue debt independent of the County, while the Board members are the same as the Board of County Commissioners, there is no approval action needed by them serving as the BOCC for issuance of debt or any other actions and no approval is needed from County Management. (2) The SWA and Palm Beach County government have completely separate managers, directors, and executive levels within each organization and neither organization has any direct oversight responsibilities over each other.

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 Community & Social Development 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, 2011
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 666,003,606	\$ 666,003,606	\$ 641,205,184	\$ (24,798,422)
Licenses and permits	36,535,500	36,535,500	34,873,049	(1,662,451)
Intergovernmental	85,187,240	87,968,787	94,460,671	6,491,884
Charges for services	102,571,991	102,571,991	102,019,026	(552,965)
Fines and forfeitures	1,262,000	1,262,000	1,411,942	149,942
Investment income	14,533,150	14,533,150	8,065,453	(6,467,697)
Miscellaneous	6,945,877	6,945,877	7,935,903	990,026
Less 5% anticipated revenues	(44,734,046)	(44,734,046)	-	44,734,046
Total revenues	868,305,318	871,086,865	889,971,228	18,884,363
Expenditures:				
Current:				
General government	218,636,095	249,314,700	126,449,499	122,865,201
Public safety	29,128,639	30,276,414	27,324,873	2,951,541
Physical environment	12,590,455	12,590,455	11,920,410	670,045
Transportation	4,235,000	4,639,421	4,639,421	-
Economic environment	23,821,244	23,821,244	23,546,214	275,030
Human services	49,148,416	49,908,410	48,513,051	1,395,359
Culture and recreation	55,433,248	55,352,018	52,820,218	2,531,800
Capital outlay	246,353	629,807	468,468	161,339
Debt service	-	-	-	-
Total expenditures	393,239,450	426,532,469	295,682,154	130,850,315
Excess of revenues over expenditures	475,065,868	444,554,396	594,289,074	149,734,678
Other financing sources (uses):				
Transfers in	8,421,355	10,282,989	33,726,065	23,443,076
Transfers out	(624,901,229)	(626,846,694)	(621,325,832)	5,520,862
Total other financing sources (uses)	(616,479,874)	(616,563,705)	(587,599,767)	28,963,938
Net change in fund balances	(141,414,006)	(172,009,309)	6,689,307	178,698,616
Fund balances, October 1, 2010 (Restated)	141,414,006	172,009,309	174,084,529	2,075,220
Increase (decrease) in nonspendable fund balance	-	-	824,031	824,031
Fund balances, September 30, 2011 (budget basis)	\$ -	\$ -	181,597,867	\$ 181,597,867
Perspective difference between budget basis and GAAP			19,182,301	
Fund balances, September 30, 2011 (GAAP)			\$ 200,780,168	

Reconciliation of Budget to GAAP

	Revenue	Expenditures	Transfers in	Transfers out	Net change in fund balance
Board of County Commissioners	889,971,228	(295,682,154)	33,726,065	(621,325,832)	6,689,307
Sheriff	2,513,528	(464,022,317)	479,491,890	(17,917,389)	65,712
Clerk & Comptroller	44,947,298	(56,696,562)	12,651,630	(1,161,931)	(259,565)
Tax Collector	22,695,649	(22,695,649)	-	-	-
Property Appraiser	20,681,341	(20,681,341)	-	-	-
Supervisor of Elections	1,251,182	(6,790,343)	10,664,400	(5,125,239)	-
Eliminate	-	-	(516,684,966)	516,684,966	-
Total	982,060,226	(866,568,366)	19,849,019	(128,845,425)	6,495,454

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 and only include the operations of the Board of County Commissioners since that is what was legally adopted. In accordance with GASB 54, the individual County Constitutional Officers no longer met the definition to be reported as separate special revenue funds of the County and as a result their activities have been combined into the County general fund for GAAP reporting purposes. The above table provides a reconciliation of the amounts between the two schedules.

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, 2011
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 195,230,351	\$ 195,230,351	\$ 187,980,583	\$ (7,249,768)
Special assessments	285,864	285,864	275,244	(10,620)
Licenses and permits	3,190	3,190	6,500	3,310
Intergovernmental	283,960	683,960	653,249	(30,711)
Charges for services	29,040,748	29,040,748	32,465,802	3,425,054
Investment income	4,980,306	4,980,306	5,368,578	388,272
Miscellaneous	91,500	91,500	326,941	235,441
Less 5% anticipated revenues	(11,175,484)	(11,175,484)	-	11,175,484
Total revenues	218,740,435	219,140,435	227,076,897	7,936,462
Expenditures:				
Current:				
Public safety	331,620,666	344,883,021	237,621,779	107,261,242
Economic environment	579,348	579,348	566,465	12,883
Capital outlay	7,085,072	7,085,072	1,727,260	5,357,812
Total expenditures	339,285,086	352,547,441	239,915,504	112,631,937
Excess of revenues over (under) expenditures	(120,544,651)	(133,407,006)	(12,838,607)	120,568,399
Other financing sources (uses):				
Transfers in	9,900,411	9,900,411	6,958,553	(2,941,858)
Transfers out	(295,988)	(295,988)	(245,247)	50,741
Total other financing sources (uses)	9,604,423	9,604,423	6,713,306	(2,891,117)
Net change in fund balances	(110,940,228)	(123,802,583)	(6,125,301)	117,677,282
Fund balances, October 1, 2010	110,940,228	123,802,583	126,171,365	2,368,782
Increase (decrease) in nonspendable fund balance	-	-	150,785	150,785
Fund balances, September 30, 2011	\$ -	\$ -	\$ 120,196,849	\$ 120,196,849

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
Community & Social Development Special Revenue Fund
For the fiscal year ended September 30, 2011
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 173,481,221	\$ 196,729,563	\$ 69,456,378	\$(127,273,185)
Charges for services	1,131,606	652,260	689,638	37,378
Investment income	268,408	268,408	633,029	364,621
Miscellaneous	569,311	569,311	1,249,007	679,696
Less 5% anticipated revenues	(2,500)	(2,500)	-	2,500
Total revenues	175,448,046	198,217,042	72,028,052	(126,188,990)
Expenditures:				
Current:				
Public safety	1,820,737	4,571,681	1,349,545	3,222,136
Transportation	196,440	198,914	130,823	68,091
Economic environment	145,397,824	156,052,339	36,501,063	119,551,276
Human services	55,200,673	65,186,602	52,791,855	12,394,747
Capital outlay	193,880	503,320	148,689	354,631
Debt service	407,955	432,558	369,203	63,355
Total expenditures	203,217,509	226,945,414	91,291,178	135,654,236
Excess of revenues over (under) expenditures	(27,769,463)	(28,728,372)	(19,263,126)	9,465,246
Other financing sources (uses):				
Transfers in	14,307,680	14,509,347	13,372,109	(1,137,238)
Transfers out	(7,714,492)	(7,720,776)	(6,597,265)	1,123,511
Issuance of long-term debt	17,565,000	16,139,000	6,668,000	(9,471,000)
Total other financing sources (uses)	24,158,188	22,927,571	13,442,844	(9,484,727)
Net change in fund balances	(3,611,275)	(5,800,801)	(5,820,282)	(19,481)
Fund balances, October 1, 2010	3,611,275	5,800,801	3,387,194	(2,413,607)
Fund balances, September 30, 2011	\$ -	\$ -	\$ (2,433,088)	\$ (2,433,088)

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)
1/1/09	\$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%
1/1/11	54,522,208	83,602,521	29,080,313	65.2%	25,497,963	114.0%

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)
9/30/08	\$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%
9/30/10	19,301,948	24,669,989	5,368,041	78.2%	2,155,087	249.1%

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%
	1/1/2010	-	190,600,000	190,600,000	0.0%	269,750,942	70.7%
Fire Rescue Union	10/1/2008	14,544,477	153,500,000	138,955,523	9.5%	108,788,372	127.7%
	10/1/2009	18,136,850	163,661,000	145,524,150	11.1%	119,353,006	121.9%
	10/1/2010	23,359,477	129,760,000	106,400,523	18.0%	132,643,996	80.2%

**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)
10/1/2008	\$ -	\$ 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%
10/1/2010	-	11,172,901	11,172,901	0.0%	132,643,996	8.4%

Component Units

Solid Waste Authority

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	\$ -	\$ 1,115,000	\$ 1,115,000	0.0%	\$ 21,614,000	5.2%
10/1/2008	-	1,440,000	1,440,000	0.0%	21,254,000	6.8%
10/1/2010	-	724,000	724,000	0.0%	22,391,000	3.2%



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

This subsection includes the combining and individual fund statements and schedules for the following:

- General Fund by Category
- Nonmajor Governmental Funds
- Internal Service Funds
- Agency Funds

GENERAL FUND BY CATEGORY

General Fund - Board of County Commissioners (BOCC) - To account for the revenues and expenditures of the BOCC portion of the General Fund - which are activities that benefit all County residents.

General Fund - Sheriff - To account for for the revenues and expenditures necessary to carry out the duties and obligations of the Sheriff as specified in Section 30.15, Florida Statutes.

General Fund - Clerk & Comptroller - To account for all funds received and expended to carry out the duties and responsibilities of the elected office of the Clerk & Comptroller.

General Fund - Tax Collector - To account for all funds received and expended to carry out the duties and responsibilities of the elected office of the Tax Collector.

General Fund - Property Appraiser - To account for all funds received and expended to carry out the duties and responsibilities of the elected office of the Property Appraiser.

General Fund - Supervisor of Elections - To account for all funds received and expended to carry out the duties and responsibilities of the elected office of the Supervisor of Elections.

PALM BEACH COUNTY, FLORIDA
Combining Balance Sheet
General Fund by Category
September 30, 2011

	BOCC	Sheriff	Clerk & Comptroller	Tax Collector
ASSETS				
Cash and cash equivalents	\$ 114,133,079	\$ 65,202,416	\$ 16,947,335	\$ 38,823,298
Investments	-	-	-	57,504
Accounts receivable, net	10,331,349	286,038	161,751	20,052
Due from other county funds	84,342,627	9,326	1,009,069	-
Due from other governments	8,009,113	1,417,589	163,699	1,543
Due from component unit	45,623	-	-	-
Inventory	2,899,251	3,527,541	-	-
Other assets	3,330	118,047	-	13,420
Loans receivable, noncurrent	7,753,941	-	-	-
Total assets	\$ 227,518,313	\$ 70,560,957	\$ 18,281,854	\$ 38,915,817
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 7,149,952	\$ 19,638,680	\$ 3,088,206	\$ 941,435
Due to other county funds	9,134,332	28,379,480	1,621,933	30,287,790
Due to other governments	588,979	5,455,056	626,488	4,784,833
Due to component unit	6,408,973	101	-	2,116,386
Due to individuals	-	192	360,000	75
Insurance claims payable	-	1,521,953	-	-
Deferred revenue	22,299,850	-	-	785,298
Other liabilities	338,360	8,597,399	371,022	-
Total liabilities	45,920,446	63,592,861	6,067,649	38,915,817
FUND BALANCE				
Non-Spendable				
Inventory	2,899,251	3,527,541	-	-
Prepaid Items	3,000	39,415	-	8,210
Spendable				
Restricted	-	3,401,140	12,214,205	-
Unassigned	178,695,616	-	-	(8,210)
Total fund balance	181,597,867	6,968,096	12,214,205	-
Total liabilities and fund balance	\$ 227,518,313	\$ 70,560,957	\$ 18,281,854	\$ 38,915,817

Property Appraiser	Supervisor of Elections	Total	Eliminate Intra-Entity Balances	Adjusted Totals
\$ 3,188,923	\$ 5,553,383	\$ 243,848,434	\$ -	\$ 243,848,434
43,803	-	101,307	-	101,307
-	31,585	10,830,775	-	10,830,775
-	17	85,361,039	(54,533,223)	30,827,816
-	-	9,591,944	-	9,591,944
-	-	45,623	-	45,623
-	-	6,426,792	-	6,426,792
8,822	42,389	186,008	-	186,008
-	-	7,753,941	-	7,753,941
<u>\$ 3,241,548</u>	<u>\$ 5,627,374</u>	<u>\$ 364,145,863</u>	<u>\$ (54,533,223)</u>	<u>\$ 309,612,640</u>

\$ 616,124	\$ 347,835	\$ 31,782,232	\$ -	\$ 31,782,232
2,269,062	5,133,008	76,825,605	(54,533,223)	22,292,382
318,584	-	11,773,940	-	11,773,940
-	-	8,525,460	-	8,525,460
-	-	360,267	-	360,267
-	-	1,521,953	-	1,521,953
37,778	146,531	23,269,457	-	23,269,457
-	-	9,306,781	-	9,306,781
<u>3,241,548</u>	<u>5,627,374</u>	<u>163,365,695</u>	<u>(54,533,223)</u>	<u>108,832,472</u>

-	-	6,426,792	-	6,426,792
8,822	42,389	101,836	-	101,836
-	-	15,615,345	-	15,615,345
(8,822)	(42,389)	178,636,195	-	178,636,195
-	-	200,780,168	-	200,780,168
<u>\$ 3,241,548</u>	<u>\$ 5,627,374</u>	<u>\$ 364,145,863</u>	<u>\$ (54,533,223)</u>	<u>\$ 309,612,640</u>

PALM BEACH COUNTY, FLORIDA
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
General Fund by Category
For the fiscal year ended September 30, 2011

	BOCC	Sheriff	Clerk & Comptroller	Tax Collector
Revenues:				
Taxes (net of discount)	\$ 641,205,184	\$ -	\$ -	\$ -
Licenses and permits	34,873,049	-	-	-
Intergovernmental	94,460,671	-	34,286,586	-
Charges for services	102,019,026	1,818,367	8,910,513	59,702,063
Less - excess fees paid out	-	-	-	(37,047,632)
Fines and forfeitures	1,411,942	529,330	1,738,588	-
Investment income	8,065,453	147,002	11,611	41,218
Miscellaneous	7,935,903	18,829	-	-
Total revenues	889,971,228	2,513,528	44,947,298	22,695,649
Expenditures:				
Current:				
General government	126,449,499	22,788,221	56,382,564	20,795,501
Public safety	27,324,873	426,636,861	-	-
Physical environment	11,920,410	-	-	-
Transportation	4,639,421	-	-	-
Economic environment	23,546,214	-	-	-
Human services	48,513,051	-	-	-
Culture and recreation	52,820,218	-	-	-
Capital outlay	468,468	14,597,235	313,998	1,900,148
Total expenditures	295,682,154	464,022,317	56,696,562	22,695,649
Excess of revenues over (under) expenditures	594,289,074	(461,508,789)	(11,749,264)	-
Other financing sources (uses):				
Transfers in	33,726,065	479,491,890	12,651,630	-
Transfers out	(621,325,832)	(17,917,389)	(1,161,931)	-
Total other financing sources (uses)	(587,599,767)	461,574,501	11,489,699	-
Net change in fund balances	6,689,307	65,712	(259,565)	-
Fund balances, October 1, 2010 (Restated)	174,084,529	6,902,384	12,473,770	-
Increase (decrease) in nonspendable fund balance	824,031	-	-	-
Fund balances, September 30, 2011	\$ 181,597,867	\$ 6,968,096	\$ 12,214,205	\$ -

Property Appraiser	Supervisor of Elections	Total	Eliminate Intra-Entity Balances	Adjusted Totals
\$ -	\$ -	\$ 641,205,184	\$ -	\$ 641,205,184
-	-	34,873,049	-	34,873,049
-	973,392	129,720,649	-	129,720,649
23,194,352	231,736	195,876,057	-	195,876,057
(2,520,672)	-	(39,568,304)	-	(39,568,304)
-	-	3,679,860	-	3,679,860
7,661	12,971	8,285,916	-	8,285,916
-	33,083	7,987,815	-	7,987,815
20,681,341	1,251,182	982,060,226	-	982,060,226
20,665,852	6,735,689	253,817,326	-	253,817,326
-	-	453,961,734	-	453,961,734
-	-	11,920,410	-	11,920,410
-	-	4,639,421	-	4,639,421
-	-	23,546,214	-	23,546,214
-	-	48,513,051	-	48,513,051
-	-	52,820,218	-	52,820,218
15,489	54,654	17,349,992	-	17,349,992
20,681,341	6,790,343	866,568,366	-	866,568,366
-	(5,539,161)	115,491,860	-	115,491,860
-	10,664,400	536,533,985	(516,684,966)	19,849,019
-	(5,125,239)	(645,530,391)	516,684,966	(128,845,425)
-	5,539,161	(108,996,406)	-	(108,996,406)
-	-	6,495,454	-	6,495,454
-	-	193,460,683	-	193,460,683
-	-	824,031	-	824,031
\$ -	\$ -	\$ 200,780,168	-	200,780,168

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - BOCC
For the fiscal year ended September 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 666,003,606	\$ 666,003,606	\$ 641,205,184	\$ (24,798,422)
Licenses and permits	36,535,500	36,535,500	34,873,049	(1,662,451)
Intergovernmental	85,187,240	87,968,787	94,460,671	6,491,884
Charges for services	102,571,991	102,571,991	102,019,026	(52,965)
Fines and forfeitures	1,262,000	1,262,000	1,411,942	149,942
Investment income	14,533,150	14,533,150	8,065,453	(6,467,697)
Miscellaneous	6,945,877	6,945,877	7,935,903	990,026
Less 5% anticipated revenues	(44,734,046)	(44,734,046)	-	44,734,046
Total revenues	868,305,318	871,086,865	889,971,228	18,884,363
Expenditures:				
Current:				
General government	218,636,095	249,314,700	126,449,499	122,865,201
Public safety	29,128,639	30,276,414	27,324,873	2,951,541
Physical environment	12,590,455	12,590,455	11,920,410	670,045
Transportation	4,235,000	4,639,421	4,639,421	-
Economic environment	23,821,244	23,821,244	23,546,214	275,030
Human services	49,148,416	49,908,410	48,513,051	1,395,359
Culture and recreation	55,433,248	55,352,018	52,820,218	2,531,800
Capital outlay	246,353	629,807	468,468	161,339
Total expenditures	393,239,450	426,532,469	295,682,154	130,850,315
Excess of revenues over (under) expenditures	475,065,868	444,554,396	594,289,074	149,734,678
Other financing sources (uses):				
Transfers in	8,421,355	10,282,989	33,726,065	23,443,076
Transfers out	(624,901,229)	(626,846,694)	(621,325,832)	5,520,862
Total other financing sources (uses)	(616,479,874)	(616,563,705)	(587,599,767)	28,963,938
Net change in fund balances	(141,414,006)	(172,009,309)	6,689,307	178,698,616
Fund balances, October 1, 2010 (Restated)	141,414,006	172,009,309	174,084,529	2,075,220
Increase in reserves, inventory	-	-	824,031	824,031
Fund balances, September 30, 2011	\$ -	\$ -	\$ 181,597,867	\$ 181,597,867

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Sheriff
For the fiscal year ended September 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 1,818,367	\$ 1,818,367
Fines and forfeitures	-	-	529,330	529,330
Investment income	-	-	147,002	147,002
Miscellaneous	-	-	18,829	18,829
Total revenues	-	-	2,513,528	2,513,528
Expenditures:				
Current:				
General government	22,417,640	22,923,730	22,788,221	135,509
Public safety	444,783,618	446,521,410	426,636,861	19,884,549
Capital outlay	5,030,812	13,653,241	14,597,235	(943,994)
Total expenditures	472,232,070	483,098,381	464,022,317	19,076,064
Excess of revenues over (under) expenditures	(472,232,070)	(483,098,381)	(461,508,789)	21,589,592
Other financing sources (uses):				
Transfers in	472,232,070	483,215,383	479,491,890	(3,723,493)
Transfers out	-	(117,002)	(17,917,389)	(17,800,387)
Total other financing sources (uses)	472,232,070	483,098,381	461,574,501	(21,523,880)
Net change in fund balances	-	-	65,712	65,712
Fund balances, October 1, 2010	-	-	6,902,384	6,902,384
Fund balances, September 30, 2011	\$ -	\$ -	\$ 6,968,096	\$ 6,968,096

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Clerk & Comptroller
For the fiscal year ended September 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 34,555,129	\$ 33,881,821	\$ 34,286,586	\$ 404,765
Charges for services	8,095,949	8,095,949	8,910,513	814,564
Fines and forfeitures	1,642,979	1,642,979	1,738,588	95,609
Investment income	44,148	44,148	11,611	(32,537)
Total revenues	44,338,205	43,664,897	44,947,298	1,282,401
Expenditures:				
Current:				
General government	66,496,381	58,218,823	56,382,564	1,836,259
Capital outlay	207,288	477,288	313,998	163,290
Total expenditures	66,703,669	58,696,111	56,696,562	1,999,549
Excess of revenues over (under) expenditures	(22,365,464)	(15,031,214)	(11,749,264)	3,281,950
Other financing sources (uses):				
Transfers in	17,785,798	17,785,798	12,651,630	(5,134,168)
Transfers out	(5,424,166)	(5,424,166)	(1,161,931)	4,262,235
Total other financing sources (uses)	12,361,632	12,361,632	11,489,699	(871,933)
Net change in fund balances	(10,003,832)	(2,669,582)	(259,565)	2,410,017
Fund balances, October 1, 2010	12,473,770	12,473,770	12,473,770	-
Fund balances, September 30, 2011	\$ 2,469,938	\$ 9,804,188	\$ 12,214,205	\$ 2,410,017

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Tax Collector
For the fiscal year ended September 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 60,516,120	\$ 60,516,120	\$ 59,702,063	\$ (814,057)
Less - excess fees paid out	(38,151,227)	(35,377,407)	(37,047,632)	(1,670,225)
Investment income	90,000	90,000	41,218	(48,782)
Total revenues	22,454,893	25,228,713	22,695,649	(2,533,064)
Expenditures:				
Current:				
General government	21,340,663	22,908,448	20,795,501	2,112,947
Capital outlay	1,114,230	2,320,265	1,900,148	420,117
Total expenditures	22,454,893	25,228,713	22,695,649	2,533,064
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2010	-	-	-	-
Fund balances, September 30, 2011	\$ -	\$ -	\$ -	\$ -

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Property Appraiser
For the fiscal year ended September 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 23,138,267	\$ 23,138,267	\$ 23,194,352	\$ 56,085
Less - excess fees paid out	-	-	(2,520,672)	(2,520,672)
Investment income	-	-	7,661	7,661
Total revenues	23,138,267	23,138,267	20,681,341	(2,456,926)
Expenditures:				
Current:				
General government	23,138,267	23,138,267	20,665,852	2,472,415
Capital outlay	-	-	15,489	(15,489)
Total expenditures	23,138,267	23,138,267	20,681,341	2,456,926
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2010	-	-	-	-
Fund balances, September 30, 2011	\$ -	\$ -	\$ -	\$ -

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Supervisor of Elections
For the fiscal year ended September 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	147,840	147,840	973,392	825,552
Charges for services	-	-	231,736	231,736
Investment income	-	-	12,971	12,971
Miscellaneous	-	-	33,083	33,083
Total revenues	147,840	147,840	1,251,182	1,103,342
Expenditures:				
Current:				
General government	10,682,240	10,682,240	6,735,689	3,946,551
Capital outlay	130,000	130,000	54,654	75,346
Total expenditures	10,812,240	10,812,240	6,790,343	4,021,897
Excess of revenues over (under) expenditures	(10,664,400)	(10,664,400)	(5,539,161)	5,125,239
Other financing sources (uses):				
Transfers in	10,664,400	10,664,400	10,664,400	-
Transfers out	-	-	(5,125,239)	(5,125,239)
Total other financing sources (uses)	10,664,400	10,664,400	5,539,161	(5,125,239)
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2010	-	-	-	-
Fund balances, September 30, 2011	\$ -	\$ -	\$ -	\$ -



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.

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.

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 all other special revenue funds except those required to be accounted for in other 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.

NONMAJOR GOVERNMENTAL FUNDS

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.

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, 2011

	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	\$ 21,216,610	\$ -	\$ 12,900,997	\$ 5,171,834
Accounts receivable, net	188,615	-	15,780	11,648
Due from other county funds	395,590	9,905,659	1,385,214	-
Due from other governments	-	294,434	1,492,484	-
Due from component unit	-	-	-	-
Inventory	-	-	2,367,124	-
Other assets	655,145	-	-	-
Other receivable, noncurrent	3,000,000	-	-	-
Total assets	\$ 25,455,960	\$ 10,200,093	\$ 18,161,599	\$ 5,183,482
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 1,125,515	\$ 85,683	\$ 689,749	\$ 129,494
Due to other county funds	865	5,659,564	2,997,999	57,254
Due to other governments	7	113,390	17,285	34
Due to component unit	-	-	4,264	-
Due to individuals	-	-	-	-
Deferred and unearned revenue	3,000,000	1,122,951	244,026	-
Other liabilities	-	-	-	-
Total liabilities	4,126,387	6,981,588	3,953,323	186,782
FUND BALANCE				
Non-Spendable				
Inventory	-	-	2,367,124	-
Prepaid items	55,145	-	-	-
Spendable				
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Library services	-	-	-	-
Tourist development programs	17,131,240	-	-	-
Grant programs	-	3,218,580	-	-
Environmental protection programs	-	-	-	-
Public safety and judicial programs	-	-	-	-
Other services and programs	-	-	2,794,153	4,996,700
Assigned to:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Tourist development programs	4,143,188	-	-	-
Other services and programs	-	-	9,046,999	-
Unassigned	-	(75)	-	-
Total fund balance	21,329,573	3,218,505	14,208,276	4,996,700
Total liabilities and fund balance	\$ 25,455,960	\$ 10,200,093	\$ 18,161,599	\$ 5,183,482

Library Taxing District Special Revenue Fund	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	Palm Tran Special Revenue Fund	Other Special Revenue Fund	Total Special Revenue Funds
\$ 10,879,700	\$ 6,988,396	\$ 2,000	\$ 68,954,234	\$ 126,113,771
5,226	17,569	172,570	14,000	425,408
519,483	158,398	76,175	295,579	12,736,098
-	-	13,448,006	1,893,432	17,128,356
-	-	-	-	-
-	-	1,904,496	48,021	4,319,641
-	-	-	5,850	660,995
-	-	-	-	3,000,000
\$ 11,404,409	\$ 7,164,363	\$ 15,603,247	\$ 71,211,116	\$ 164,384,269
\$ 765,906	\$ 4,995	\$ 2,874,454	\$ 1,097,873	\$ 6,773,669
86,875	114,850	8,178,072	522,306	17,617,785
342	-	19,018	497,887	647,963
-	-	-	-	4,264
-	-	-	1,000	1,000
-	10,400	6,759,398	780,978	11,917,753
-	689	-	-	689
853,123	130,934	17,830,942	2,900,044	36,963,123
-	-	1,904,496	48,021	4,319,641
-	-	-	-	55,145
-	-	-	-	-
-	-	-	-	-
10,551,286	-	-	-	10,551,286
-	-	-	-	17,131,240
-	7,033,429	-	36,559,133	46,811,142
-	-	-	11,667,340	11,667,340
-	-	-	12,489,725	12,489,725
-	-	-	3,297,797	11,088,650
-	-	-	-	-
-	-	-	-	-
-	-	-	-	4,143,188
-	-	-	4,249,056	13,296,055
-	-	(4,132,191)	-	(4,132,266)
10,551,286	7,033,429	(2,227,695)	68,311,072	127,421,146
\$ 11,404,409	\$ 7,164,363	\$ 15,603,247	\$ 71,211,116	\$ 164,384,269

PALM BEACH COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2011

	General Obligation Bonds Debt Service	Revenue Bonds Debt Service	Other Financing Debt Service	Total Debt Service Funds	Criminal Justice Capital Projects
ASSETS					
Cash and cash equivalents	\$ 1,255,221	\$ 29,143,001	\$ 661,655	\$ 31,059,877	\$ 51,256,170
Accounts receivable, net	-	1,500	-	1,500	-
Due from other county funds	-	-	-	-	-
Due from other governments	-	-	-	-	1,096
Due from component unit	-	-	-	-	-
Inventory	-	-	-	-	-
Other assets	-	-	-	-	-
Other receivable, noncurrent	-	550,000	-	550,000	-
Total assets	\$ 1,255,221	\$ 29,694,501	\$ 661,655	\$ 31,611,377	\$ 51,257,266
LIABILITIES					
Vouchers payable and accrued liabilities	\$ 25	\$ 39,075	\$ -	\$ 39,100	\$ 2,525,137
Due to other county funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to component unit	-	-	-	-	-
Due to individuals	-	-	-	-	-
Deferred and unearned revenue	-	550,000	-	550,000	-
Other liabilities	-	-	-	-	-
Total liabilities	25	589,075	-	589,100	2,525,137
FUND BALANCE					
Non-Spendable					
Inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
Spendable					
Restricted for:					
Debt service	1,255,196	29,105,426	-	30,360,622	-
Capital projects	-	-	-	-	48,732,129
Library services	-	-	-	-	-
Tourist development programs	-	-	-	-	-
Grant programs	-	-	-	-	-
Environmental protection programs	-	-	-	-	-
Public safety and judicial programs	-	-	-	-	-
Other services and programs	-	-	-	-	-
Assigned to:					
Debt service	-	-	661,655	661,655	-
Capital projects	-	-	-	-	-
Tourist development programs	-	-	-	-	-
Other services and programs	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance	1,255,196	29,105,426	661,655	31,022,277	48,732,129
Total liabilities and fund balance	\$ 1,255,221	\$ 29,694,501	\$ 661,655	\$ 31,611,377	\$ 51,257,266

Environmental Lands Capital Projects	Fire Rescue Capital Projects	Libraries Capital Projects	Parks & Recreation Capital Projects	Street & Drainage Capital Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 17,420,529	\$ 43,927,255	\$ 39,195,305	\$ 37,302,970	\$ 9,471,992	\$ 198,574,221	\$ 355,747,869
-	-	50	638	5,758,915	5,759,603	6,186,511
-	-	-	-	3,719	3,719	12,739,817
3,809,188	34,010	6,788	474,594	-	4,325,676	21,454,032
-	-	-	69,133	-	69,133	69,133
-	-	-	-	-	-	4,319,641
-	200	-	-	-	200	661,195
-	-	-	-	-	-	3,550,000
\$ 21,229,717	\$ 43,961,465	\$ 39,202,143	\$ 37,847,335	\$ 15,234,626	\$ 208,732,552	\$ 404,728,198
\$ 1,175,545	\$ 617,006	\$ 2,064,217	\$ 1,664,516	\$ 31,587	\$ 8,078,008	\$ 14,890,777
395,590	-	-	-	-	395,590	18,013,375
-	-	-	353,380	-	353,380	1,001,343
-	-	-	-	-	-	4,264
-	-	-	-	-	-	1,000
3,106,436	-	-	440,000	5,758,915	9,305,351	21,773,104
10,000	-	-	-	-	10,000	10,689
4,687,571	617,006	2,064,217	2,457,896	5,790,502	18,142,329	55,694,552
-	-	-	-	-	-	4,319,641
-	-	-	-	-	-	55,145
-	-	-	-	-	-	30,360,622
2,366,829	43,344,459	37,187,926	35,634,008	3,451,309	170,716,660	170,716,660
-	-	-	-	-	-	10,551,286
-	-	-	-	-	-	17,131,240
-	-	-	-	-	-	46,811,142
-	-	-	-	-	-	11,667,340
-	-	-	-	-	-	12,489,725
-	-	-	-	-	-	11,088,650
-	-	-	-	-	-	661,655
14,175,317	-	-	-	5,992,815	20,168,132	20,168,132
-	-	-	-	-	-	4,143,188
-	-	-	-	-	-	13,296,055
-	-	(50,000)	(244,569)	-	(294,569)	(4,426,835)
16,542,146	43,344,459	37,137,926	35,389,439	9,444,124	190,590,223	349,033,646
\$ 21,229,717	\$ 43,961,465	\$ 39,202,143	\$ 37,847,335	\$ 15,234,626	\$ 208,732,552	\$ 404,728,198

PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2011

	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)	\$ 25,480,495	\$ -	\$ 1,386,589	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	10,830	10,995,964
Intergovernmental	250,000	5,503,982	16,647,741	-
Charges for services	2,916,084	-	1,704,228	761,613
Fines and forfeitures	-	510,948	-	9,692
Investment income	722,790	106,489	387,285	155,957
Miscellaneous	14,263	112,512	1,886,106	8,049
Total revenues	29,383,632	6,233,931	22,022,779	11,931,275
Expenditures:				
Current:				
General government	-	319,378	-	-
Public safety	-	488,460	-	9,876,511
Physical environment	-	-	-	-
Transportation	-	-	34,903,462	-
Economic environment	17,545,933	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	938,560	15,285
Debt service	-	-	-	-
Total expenditures	17,545,933	807,838	35,842,022	9,891,796
Excess of revenues over (under) expenditures	11,837,699	5,426,093	(13,819,243)	2,039,479
Other financing sources (uses):				
Transfers in	-	439,807	12,977,133	-
Transfers out	(8,981,500)	(5,948,767)	(99,519)	(12,685)
Issuance of refunding debt	-	-	-	-
Premium on refunding debt	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
Total other financing sources (uses)	(8,981,500)	(5,508,960)	12,877,614	(12,685)
Net change in fund balances	2,856,199	(82,867)	(941,629)	2,026,794
Fund balances, October 1, 2010 (Restated)	18,473,374	3,301,372	15,544,189	2,969,906
Increase (decrease) in nonspendable fund balance	-	-	(394,284)	-
Fund balances, September 30, 2011	\$ 21,329,573	\$ 3,218,505	\$ 14,208,276	\$ 4,996,700

Library Taxing District Special Revenue Fund	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	Palm Tran Special Revenue Fund	Other Special Revenue Fund	Total Special Revenue Funds
\$ 36,330,542	\$ -	\$ 26,428,838	\$ 37,312	\$ 89,663,776
-	-	-	4,447,182	4,447,182
25,593	-	31,763	4,769,235	15,833,385
862,709	-	28,009,290	6,367,002	57,640,724
1,595	-	10,984,660	13,388,254	29,756,434
547,442	-	-	2,219,634	3,287,716
586,379	385,855	3,240	2,537,317	4,885,312
189,092	1,106,196	1,269,506	1,269,732	5,855,456
<u>38,543,352</u>	<u>1,492,051</u>	<u>66,727,297</u>	<u>35,035,668</u>	<u>211,369,985</u>
-	-	-	8,638,396	8,957,774
-	-	-	9,646,617	20,011,588
-	-	-	8,241,850	8,241,850
-	-	74,138,004	-	109,041,466
-	2,318,231	-	715,552	20,579,716
-	-	-	854,065	854,065
36,006,930	-	-	5,727,933	41,734,863
3,591,262	-	17,995,645	3,048,318	25,589,070
-	-	-	-	-
<u>39,598,192</u>	<u>2,318,231</u>	<u>92,133,649</u>	<u>36,872,731</u>	<u>235,010,392</u>
<u>(1,054,840)</u>	<u>(826,180)</u>	<u>(25,406,352)</u>	<u>(1,837,063)</u>	<u>(23,640,407)</u>
-	141,520	15,610,153	2,053,612	31,222,225
(9,937)	-	(2,633,124)	(5,525,545)	(23,211,077)
-	-	-	-	-
-	-	-	-	-
<u>(9,937)</u>	<u>141,520</u>	<u>12,977,029</u>	<u>(3,471,933)</u>	<u>8,011,148</u>
<u>(1,064,777)</u>	<u>(684,660)</u>	<u>(12,429,323)</u>	<u>(5,308,996)</u>	<u>(15,629,259)</u>
11,616,063	7,718,089	10,250,066	73,642,877	143,515,936
-	-	(48,438)	(22,809)	(465,531)
<u>\$ 10,551,286</u>	<u>\$ 7,033,429</u>	<u>\$ (2,227,695)</u>	<u>\$ 68,311,072</u>	<u>\$ 127,421,146</u>

	General Obligation Bonds Debt Service	Revenue Bonds Debt Service	Other Financing Debt Service	Total Debt Service Funds	Criminal Justice Capital Projects
Revenues:					
Taxes (net of discount)	\$ 33,947,752	\$ -	\$ -	\$ 33,947,752	\$ -
Special assessments	-	-	-	-	169,370
Licenses and permits	-	-	-	-	-
Intergovernmental	253	-	-	253	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	446,131	1,158,563	20,294	1,624,988	1,807,618
Miscellaneous	-	1,311,947	-	1,311,947	1,122
Total revenues	34,394,136	2,470,510	20,294	36,884,940	1,978,110
Expenditures:					
Current:					
General government	-	-	-	-	40,408
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	25,567,253
Debt service	34,722,173	100,999,617	883,447	136,605,237	-
Total expenditures	34,722,173	100,999,617	883,447	136,605,237	25,607,661
Excess of revenues over (under) expenditures	(328,037)	(98,529,107)	(863,153)	(99,720,297)	(23,629,551)
Other financing sources (uses):					
Transfers in	163,722	94,933,485	722,848	95,820,055	-
Transfers out	-	(32,159)	(441,688)	(473,847)	(3,612,349)
Issuance of refunding debt	28,700,000	62,775,000	-	91,475,000	-
Premium on refunding debt	5,783,466	8,980,137	-	14,763,603	-
Payment to escrow agent for refunding	(34,214,248)	(65,605,125)	-	(99,819,373)	-
Total other financing sources (uses)	432,940	101,051,338	281,160	101,765,438	(3,612,349)
Net change in fund balances	104,903	2,522,231	(581,993)	2,045,141	(27,241,900)
Fund balances, October 1, 2010 (Restated)	1,150,293	26,583,195	1,243,648	28,977,136	75,974,029
Increase (decrease) in nonspendable fund balanc	-	-	-	-	-
Fund balances, September 30, 2011	\$ 1,255,196	\$ 29,105,426	\$ 661,655	\$ 31,022,277	\$ 48,732,129

PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2011

Environmental Lands Capital Projects	Fire Rescue Capital Projects	Libraries Capital Projects	Parks & Recreation Capital Projects	Street & Drainage Capital Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,611,528
-	843,070	201,137	1,733,520	635,327	3,582,424	8,029,606
-	-	-	-	-	-	15,833,385
5,789,444	-	300,000	1,824,729	-	7,914,173	65,555,150
34,356	956	-	270	-	35,582	29,792,016
15,404	-	-	-	-	15,404	3,303,120
562,831	1,479,364	1,439,911	1,340,111	577,874	7,207,709	13,718,009
27,629	-	231,874	65,568	-	326,193	7,493,596
<u>6,429,664</u>	<u>2,323,390</u>	<u>2,172,922</u>	<u>4,964,198</u>	<u>1,213,201</u>	<u>19,081,485</u>	<u>267,336,410</u>
-	-	-	-	-	40,408	8,998,182
-	65,489	-	-	-	65,489	20,077,077
4,077,128	-	-	-	-	4,077,128	12,318,978
-	-	-	-	159,258	159,258	109,200,724
-	-	-	-	-	-	20,579,716
-	-	-	-	-	-	854,065
-	-	1,284,417	4,277,202	-	5,561,619	47,296,482
5,443,623	4,520,898	13,944,925	9,931,384	1,071,614	60,479,697	86,068,767
-	-	978,427	1,086,448	-	2,064,875	138,670,112
<u>9,520,751</u>	<u>4,586,387</u>	<u>16,207,769</u>	<u>15,295,034</u>	<u>1,230,872</u>	<u>72,448,474</u>	<u>444,064,103</u>
<u>(3,091,087)</u>	<u>(2,262,997)</u>	<u>(14,034,847)</u>	<u>(10,330,836)</u>	<u>(17,671)</u>	<u>(53,366,989)</u>	<u>(176,727,693)</u>
3,396,993	-	-	796,810	-	4,193,803	131,236,083
(31,924)	-	-	(718,911)	(1,000,000)	(5,363,184)	(29,048,108)
-	-	-	-	-	-	91,475,000
-	-	-	-	-	-	14,763,603
-	-	-	-	-	-	(99,819,373)
<u>3,365,069</u>	<u>-</u>	<u>-</u>	<u>77,899</u>	<u>(1,000,000)</u>	<u>(1,169,381)</u>	<u>108,607,205</u>
273,982	(2,262,997)	(14,034,847)	(10,252,937)	(1,017,671)	(54,536,370)	(68,120,488)
16,268,164	45,607,456	51,172,773	45,642,376	10,461,795	245,126,593	417,619,665
-	-	-	-	-	-	(465,531)
<u>\$ 16,542,146</u>	<u>\$ 43,344,459</u>	<u>\$ 37,137,926</u>	<u>\$ 35,389,439</u>	<u>\$ 9,444,124</u>	<u>\$ 190,590,223</u>	<u>\$ 349,033,646</u>

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 22,109,617	\$ 22,109,617	\$ 25,480,495	\$ 3,370,878
Intergovernmental	250,000	250,000	250,000	-
Charges for services	3,288,921	3,288,921	2,916,084	(372,837)
Investment income	615,339	615,339	722,790	107,451
Miscellaneous	-	-	14,263	14,263
Less 5% anticipated revenues	(1,313,194)	(1,313,194)	-	1,313,194
Total revenues	24,950,683	24,950,683	29,383,632	4,432,949
Expenditures:				
Current:				
Economic environment	31,529,747	34,442,557	17,545,933	16,896,624
Total expenditures	31,529,747	34,442,557	17,545,933	16,896,624
Excess of revenues over (under) expenditures	(6,579,064)	(9,491,874)	11,837,699	21,329,573
Other financing sources (uses):				
Transfers out	(9,082,186)	(8,981,500)	(8,981,500)	-
Total other financing sources (uses)	(9,082,186)	(8,981,500)	(8,981,500)	-
Net change in fund balances	(15,661,250)	(18,473,374)	2,856,199	21,329,573
Fund balances, October 1, 2010	15,661,250	18,473,374	18,473,374	-
Fund balances, September 30, 2011	\$ -	\$ -	\$ 21,329,573	\$ 21,329,573

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 4,690,665	\$ 13,730,281	5,503,982	\$ (8,226,299)
Fines and forfeitures	-	-	510,948	510,948
Investment income	114,000	109,000	106,489	(2,511)
Miscellaneous	200,000	369,239	112,512	(256,727)
Total revenues	5,004,665	14,208,520	6,233,931	(7,974,589)
Expenditures:				
Current:				
General government	102,942	1,787,006	319,378	1,467,628
Public safety	3,271,385	2,280,722	488,460	1,792,262
Total expenditures	3,374,327	4,067,728	807,838	3,259,890
Excess of revenues over (under) expenditures	1,630,338	10,140,792	5,426,093	(4,714,699)
Other financing sources (uses):				
Transfers in	92,400	730,208	439,807	(290,401)
Transfers out	(5,045,943)	(14,383,269)	(5,948,767)	8,434,502
Total other financing sources (uses)	(4,953,543)	(13,653,061)	(5,508,960)	8,144,101
Net change in fund balances	(3,323,205)	(3,512,269)	(82,867)	3,429,402
Fund balances, October 1, 2010	3,323,205	3,512,269	3,301,372	(210,897)
Fund balances, September 30, 2011	\$ -	\$ -	\$ 3,218,505	\$ 3,218,505

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 1,000	\$ 1,663,386	\$ 1,386,589	\$ (276,797)
Licenses and permits	10,000	10,000	10,830	830
Intergovernmental	17,215,206	17,215,206	16,647,741	(567,465)
Charges for services	1,016,000	1,016,000	1,704,228	688,228
Investment income	255,000	255,000	387,285	132,285
Miscellaneous	3,495,971	3,495,971	1,886,106	(1,609,865)
Less 5% anticipated revenues	(1,026,950)	(1,026,950)	-	1,026,950
Total revenues	20,966,227	22,628,613	22,022,779	(605,834)
Expenditures:				
Current:				
Transportation	42,193,907	45,187,353	34,903,462	10,283,891
Capital outlay	4,120,668	3,982,573	938,560	3,044,013
Total expenditures	46,314,575	49,169,926	35,842,022	13,327,904
Excess of revenues over (under) expenditures	(25,348,348)	(26,541,313)	(13,819,243)	12,722,070
Other financing sources (uses):				
Transfers in	12,597,965	13,872,983	12,977,133	(895,850)
Transfers out	(114,452)	(114,452)	(99,519)	14,933
Total other financing sources (uses)	12,483,513	13,758,531	12,877,614	(880,917)
Net change in fund balances	(12,864,835)	(12,782,782)	(941,629)	11,841,153
Fund balances, October 1, 2010	12,864,835	12,782,782	15,544,189	2,761,407
Increase (decrease) in nonspendable fund balance	-	-	(394,284)	(394,284)
Fund balances, September 30, 2011	\$ -	\$ -	\$ 14,208,276	\$ 14,208,276

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 9,907,305	\$ 9,907,305	\$ 10,995,964	\$ 1,088,659
Charges for services	658,216	658,216	761,613	103,397
Fines and forfeitures	40,000	40,000	9,692	(30,308)
Investment income	96,200	96,200	155,957	59,757
Miscellaneous	100	100	8,049	7,949
Less 5% anticipated revenues	(537,388)	(637,388)	-	637,388
Total revenues	10,164,433	10,064,433	11,931,275	1,866,842
Expenditures:				
Current:				
Public safety	11,180,412	12,989,751	9,876,511	3,113,240
Capital outlay	30,000	30,000	15,285	14,715
Total expenditures	11,210,412	13,019,751	9,891,796	3,127,955
Excess of revenues over (under) expenditures	(1,045,979)	(2,955,318)	2,039,479	4,994,797
Other financing sources (uses):				
Transfers out	(14,588)	(14,588)	(12,685)	1,903
Total other financing sources (uses)	(14,588)	(14,588)	(12,685)	1,903
Net change in fund balances	(1,060,567)	(2,969,906)	2,026,794	4,996,700
Fund balances, October 1, 2010	1,160,567	2,969,906	2,969,906	-
Fund balances, September 30, 2011	\$ 100,000	\$ -	\$ 4,996,700	\$ 4,996,700

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 37,846,348	\$ 37,846,348	\$ 36,330,542	\$ (1,515,806)
Licenses and permits	40,000	40,000	25,593	(14,407)
Intergovernmental	889,077	860,305	862,709	2,404
Charges for services	7,000	7,000	1,595	(5,405)
Fines and forfeitures	450,000	450,000	547,442	97,442
Investment income	289,000	289,000	586,379	297,379
Miscellaneous	218,000	218,000	189,092	(28,908)
<u>Less 5% anticipated revenues</u>	<u>(1,941,617)</u>	<u>(1,941,617)</u>	<u>-</u>	<u>1,941,617</u>
<u>Total revenues</u>	<u>37,797,808</u>	<u>37,769,036</u>	<u>38,543,352</u>	<u>774,316</u>
Expenditures:				
Current:				
Culture and recreation	42,466,978	44,702,049	36,006,930	8,695,119
Capital outlay	4,672,654	4,672,654	3,591,262	1,081,392
<u>Total expenditures</u>	<u>47,139,632</u>	<u>49,374,703</u>	<u>39,598,192</u>	<u>9,776,511</u>
<u>Excess of revenues over (under) expenditures</u>	<u>(9,341,824)</u>	<u>(11,605,667)</u>	<u>(1,054,840)</u>	<u>10,550,827</u>
Other financing sources (uses):				
Transfers out	(10,396)	(10,396)	(9,937)	459
<u>Total other financing sources (uses)</u>	<u>(10,396)</u>	<u>(10,396)</u>	<u>(9,937)</u>	<u>459</u>
<u>Net change in fund balances</u>	<u>(9,352,220)</u>	<u>(11,616,063)</u>	<u>(1,064,777)</u>	<u>10,551,286</u>
<u>Fund balances, October 1, 2010</u>	<u>9,352,220</u>	<u>11,616,063</u>	<u>11,616,063</u>	<u>-</u>
<u>Fund balances, September 30, 2011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,551,286</u>	<u>\$ 10,551,286</u>

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 794,222	-	\$ (794,222)
Investment income	310,000	310,000	385,855	75,855
Miscellaneous	55,000	55,000	1,106,196	1,051,196
Total revenues	365,000	1,159,222	1,492,051	332,829
Expenditures:				
Current:				
Economic environment	6,971,861	9,002,831	2,318,231	6,684,600
Capital outlay	16,000	16,000	-	16,000
Total expenditures	6,987,861	9,018,831	2,318,231	6,700,600
Excess of revenues over (under) expenditures	(6,622,861)	(7,859,609)	(826,180)	7,033,429
Other financing sources (uses):				
Transfers in	141,520	141,520	141,520	-
Total other financing sources (uses)	141,520	141,520	141,520	-
Net change in fund balances	(6,481,341)	(7,718,089)	(684,660)	7,033,429
Fund balances, October 1, 2010	6,481,341	7,718,089	7,718,089	-
Fund balances, September 30, 2011	\$ -	\$ -	\$ 7,033,429	\$ 7,033,429

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 26,307,000	\$ 26,307,000	\$ 26,428,838	\$ 121,838
Licenses and permits	35,000	35,000	31,763	(3,237)
Intergovernmental	70,349,157	78,295,819	28,009,290	(50,286,529)
Charges for services	11,005,401	11,105,401	10,984,660	(120,741)
Investment income	190,000	190,000	3,240	(186,760)
Miscellaneous	1,269,024	1,762,017	1,269,506	(492,511)
Less 5% anticipated revenues	(1,232,394)	(1,232,394)	-	1,232,394
Total revenues	107,923,188	116,462,843	66,727,297	(49,735,546)
Expenditures:				
Current:				
Transportation	78,867,441	90,148,100	74,138,004	16,010,096
Capital outlay	51,739,027	47,593,692	17,995,645	29,598,047
Total expenditures	130,606,468	137,741,792	92,133,649	45,608,143
Excess of revenues over (under) expenditures	(22,683,280)	(21,278,949)	(25,406,352)	(4,127,403)
Other financing sources (uses):				
Transfers in	15,614,940	15,614,940	15,610,153	(4,787)
Transfers out	(128,426)	(2,633,124)	(2,633,124)	-
Total other financing sources (uses)	15,486,514	12,981,816	12,977,029	(4,787)
Net change in fund balances	(7,196,766)	(8,297,133)	(12,429,323)	(4,132,190)
Fund balances, October 1, 2010	7,196,766	8,297,133	10,250,066	1,952,933
Increase (decrease) in nonspendable fund balance	-	-	(48,438)	(48,438)
Fund balances, September 30, 2011	\$ -	\$ -	\$ (2,227,695)	\$ (2,227,695)

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 35,000	\$ 35,000	\$ 37,312	\$ 2,312
Special assessments	1,393,550	1,844,550	4,447,182	2,602,632
Licenses and permits	5,979,057	5,979,057	4,769,235	(1,209,822)
Intergovernmental	8,050,296	9,596,417	6,367,002	(3,229,415)
Charges for services	17,584,228	17,669,535	13,388,254	(4,281,281)
Fines and forfeitures	2,083,753	2,083,753	2,219,634	135,881
Investment income	2,544,000	2,544,000	2,537,317	(6,683)
Miscellaneous	1,002,315	1,207,771	1,269,732	61,961
Less 5% anticipated revenues	(1,320,602)	(1,320,602)	-	1,320,602
Total revenues	37,351,597	39,639,481	35,035,668	(4,603,813)
Expenditures:				
Current:				
General government	6,447,130	9,702,152	8,638,396	1,063,756
Public safety	13,143,305	18,303,328	9,646,617	8,656,711
Physical environment	59,309,607	60,019,346	8,241,850	51,777,496
Transportation	570,000	570,000	-	570,000
Economic environment	1,360,410	1,600,029	715,552	884,477
Human services	1,236,432	1,424,647	854,065	570,582
Culture and recreation	6,450,358	6,369,827	5,727,933	641,894
Capital outlay	7,594,410	9,690,237	3,048,318	6,641,919
Debt service	160,968	-	-	-
Total expenditures	96,272,620	107,679,566	36,872,731	70,806,835
Excess of revenues over (under) expenditures	(58,921,023)	(68,040,085)	(1,837,063)	66,203,022
Other financing sources (uses):				
Transfers in	2,790,503	2,465,804	2,053,612	(412,192)
Transfers out	(7,712,837)	(7,827,000)	(5,525,545)	2,301,455
Total other financing sources (uses)	(4,922,334)	(5,361,196)	(3,471,933)	1,889,263
Net change in fund balances	(63,843,357)	(73,401,281)	(5,308,996)	68,092,285
Fund balances, October 1, 2010 (Restated)	63,843,357	73,572,051	73,642,877	70,826
Increase (decrease) in nonspendable fund balance	-	-	(22,809)	(22,809)
Fund balances, September 30, 2011	\$ -	\$ 170,770	\$ 68,311,072	\$ 68,140,302

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 35,238,302	\$ 35,238,302	\$ 33,947,752	\$ (1,290,550)
Intergovernmental	-	-	253	253
Investment income	357,095	232,500	446,131	213,631
Less 5% anticipated revenues	(1,791,006)	(1,785,287)	-	1,785,287
Total revenues	33,804,391	33,685,515	34,394,136	708,621
Expenditures:				
Debt service	34,764,745	35,268,748	34,722,173	546,575
Total expenditures	34,764,745	35,268,748	34,722,173	546,575
Excess of revenues over (under) expenditures	(960,354)	(1,583,233)	(328,037)	1,255,196
Other financing sources (uses):				
Transfers in	129,218	163,722	163,722	-
Issuance of refunding debt	-	28,700,000	28,700,000	-
Premium (discount) refunding debt	-	5,783,466	5,783,466	-
Payment to escrow agent for refunding	-	(34,214,248)	(34,214,248)	-
Total other financing sources (uses)	129,218	432,940	432,940	-
Net change in fund balances	(831,136)	(1,150,293)	104,903	1,255,196
Fund balances, October 1, 2010	831,136	1,150,293	1,150,293	-
Fund balances, September 30, 2011	\$ -	\$ -	\$ 1,255,196	\$ 1,255,196

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ 575,000	\$ 575,000	\$ 1,158,563	\$ 583,563
Miscellaneous	1,442,851	1,442,851	1,311,947	(130,904)
Total revenues	2,017,851	2,017,851	2,470,510	452,659
Expenditures:				
Debt service	121,529,901	129,827,468	100,999,617	28,827,851
Total expenditures	121,529,901	129,827,468	100,999,617	28,827,851
Excess of revenues over (under) expenditures	(119,512,050)	(127,809,617)	(98,529,107)	29,280,510
Other financing sources (uses):				
Transfers in	97,431,913	95,108,569	94,933,485	(175,084)
Transfers out	-	(32,159)	(32,159)	-
Issuance of refunding debt	-	62,775,000	62,775,000	-
Premium (discount) refunding debt	-	8,980,137	8,980,137	-
Payment to escrow agent for refunding	-	(65,605,125)	(65,605,125)	-
Total other financing sources (uses)	97,431,913	101,226,422	101,051,338	(175,084)
Net change in fund balances	(22,080,137)	(26,583,195)	2,522,231	29,105,426
Fund balances, October 1, 2010	22,080,137	26,583,195	26,583,195	-
Fund balances, September 30, 2011	\$ -	\$ -	\$ 29,105,426	\$ 29,105,426

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ 1,532	\$ 20,294	\$ 18,762
Total revenues	-	1,532	20,294	18,762
Expenditures:				
Debt service	1,651,630	1,765,332	883,447	881,885
Total expenditures	1,651,630	1,765,332	883,447	881,885
Excess of revenues over (under) expenditures	(1,651,630)	(1,763,800)	(863,153)	900,647
Other financing sources (uses):				
Transfers in	957,262	961,842	722,848	(238,994)
Transfers out	(420,532)	(441,689)	(441,688)	1
Total other financing sources (uses)	536,730	520,153	281,160	(238,993)
Net change in fund balances	(1,114,900)	(1,243,647)	(581,993)	661,654
Fund balances, October 1, 2010	1,114,900	1,243,647	1,243,648	1
Fund balances, September 30, 2011	\$ -	\$ -	\$ 661,655	\$ 661,655

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 92,400	\$ 92,400	\$ 169,370	\$ 76,970
Investment income	3,776,000	3,776,000	1,807,618	(1,968,382)
Miscellaneous	-	-	1,122	1,122
<hr/>				
Less 5% anticipated revenues	(193,420)	(193,420)	-	193,420
<hr/>				
Total revenues	3,674,980	3,674,980	1,978,110	(1,696,870)
<hr/>				
Expenditures:				
Current:				
General government	1	39,854	40,408	(554)
Capital outlay	81,370,812	57,910,153	25,567,253	32,342,900
Debt service	14,714	14,714	-	14,714
<hr/>				
Total expenditures	81,385,527	57,964,721	25,607,661	32,357,060
<hr/>				
Excess of revenues over (under) expenditures	(77,710,547)	(54,289,741)	(23,629,551)	30,660,190
<hr/>				
Other financing sources (uses):				
Transfers out	(22,984,289)	(21,684,289)	(3,612,349)	18,071,940
<hr/>				
Total other financing sources (uses)	(22,984,289)	(21,684,289)	(3,612,349)	18,071,940
<hr/>				
Net change in fund balances	(100,694,836)	(75,974,030)	(27,241,900)	48,732,130
<hr/>				
Fund balances, October 1, 2010	100,694,836	75,974,030	75,974,029	(1)
<hr/>				
Fund balances, September 30, 2011	\$ -	\$ -	\$ 48,732,129	\$ 48,732,129

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 34,634,437	\$ 38,329,355	\$ 5,789,444	\$ (32,539,911)
Charges for services	1	111,386	34,356	(77,030)
Fines and forfeitures	-	-	15,404	15,404
Investment income	913,000	1,013,725	562,831	(450,894)
Miscellaneous	59,375	59,375	27,629	(31,746)
Less 5% anticipated revenues	(45,650)	(45,650)	-	45,650
Total revenues	35,561,163	39,468,191	6,429,664	(33,038,527)
Expenditures:				
Current:				
Physical environment	42,456,681	43,969,993	4,077,128	39,892,865
Capital outlay	22,361,178	16,143,726	5,443,623	10,700,103
Total expenditures	64,817,859	60,113,719	9,520,751	50,592,968
Excess of revenues over (under) expenditures	(29,256,696)	(20,645,528)	(3,091,087)	17,554,441
Other financing sources (uses):				
Transfers in	4,747,640	4,443,663	3,396,993	(1,046,670)
Transfers out	(59,375)	(66,300)	(31,924)	34,376
Total other financing sources (uses)	4,688,265	4,377,363	3,365,069	(1,012,294)
Net change in fund balances	(24,568,431)	(16,268,165)	273,982	16,542,147
Fund balances, October 1, 2010	24,568,431	16,268,165	16,268,164	(1)
Fund balances, September 30, 2011	\$ -	\$ -	\$ 16,542,146	\$ 16,542,146

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 352,000	\$ 352,000	\$ 843,070	\$ 491,070
Charges for services	-	-	956	956
Investment income	866,000	866,000	1,479,364	613,364
<hr/>				
Less 5% anticipated revenues	(60,900)	(60,900)	-	60,900
<hr/>				
Total revenues	1,157,100	1,157,100	2,323,390	1,166,290
<hr/>				
Expenditures:				
Current:				
Public safety	1,355,033	1,339,929	65,489	1,274,440
Capital outlay	45,943,925	45,424,626	4,520,898	40,903,728
<hr/>				
Total expenditures	47,298,958	46,764,555	4,586,387	42,178,168
<hr/>				
Excess of revenues over (under) expenditures	(46,141,858)	(45,607,455)	(2,262,997)	43,344,458
<hr/>				
Net change in fund balances	(46,141,858)	(45,607,455)	(2,262,997)	43,344,458
<hr/>				
Fund balances, October 1, 2010	46,141,858	45,607,455	45,607,456	1
<hr/>				
Fund balances, September 30, 2011	\$ -	\$ -	\$ 43,344,459	\$ 43,344,459

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 119,900	\$ 119,900	\$ 201,137	\$ 81,237
Intergovernmental	500,000	350,000	300,000	(50,000)
Investment income	1,011,000	1,011,000	1,439,911	428,911
Miscellaneous	-	-	231,874	231,874
Less 5% anticipated revenues	(56,545)	(56,545)	-	56,545
Total revenues	1,574,355	1,424,355	2,172,922	748,567
Expenditures:				
Current:				
Culture and recreation	1,505,708	1,349,122	1,284,417	64,705
Capital outlay	54,136,981	49,952,097	13,944,925	36,007,172
Debt service	-	1,295,909	978,427	317,482
Total expenditures	55,642,689	52,597,128	16,207,769	36,389,359
Excess of revenues over (under) expenditures	(54,068,334)	(51,172,773)	(14,034,847)	37,137,926
Net change in fund balances	(54,068,334)	(51,172,773)	(14,034,847)	37,137,926
Fund balances, October 1, 2010	54,068,334	51,172,773	51,172,773	-
Fund balances, September 30, 2011	\$ -	\$ -	\$ 37,137,926	\$ 37,137,926

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 836,000	\$ 836,000	\$ 1,733,520	\$ 897,520
Intergovernmental	2,810,575	4,503,671	1,824,729	(2,678,942)
Charges for services	-	-	270	270
Investment income	1,938,001	1,938,001	1,340,111	(597,890)
Miscellaneous	76,186	76,186	65,568	(10,618)
Less 5% anticipated revenues	(140,200)	(140,200)	-	140,200
Total revenues	5,520,562	7,213,658	4,964,198	(2,249,460)
Expenditures:				
Current:				
Culture and recreation	20,481,282	22,048,489	4,277,202	17,771,287
Capital outlay	38,407,867	29,368,662	9,931,384	19,437,278
Debt service	20,046	1,541,077	1,086,448	454,629
Total expenditures	58,909,195	52,958,228	15,295,034	37,663,194
Excess of revenues over (under) expenditures	(53,388,633)	(45,744,570)	(10,330,836)	35,413,734
Other financing sources (uses):				
Transfers in	-	821,104	796,810	(24,294)
Transfers out	-	(718,911)	(718,911)	-
Total other financing sources (uses)	-	102,193	77,899	(24,294)
Net change in fund balances	(53,388,633)	(45,642,377)	(10,252,937)	35,389,440
Fund balances, October 1, 2010 (Restated)	53,388,633	45,642,377	45,642,376	(1)
Fund balances, September 30, 2011	\$ -	\$ -	\$ 35,389,439	\$ 35,389,439

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 350,000	\$ 350,000	\$ 635,327	\$ 285,327
Investment income	354,401	354,401	577,874	223,473
Less 5% anticipated revenues	(35,100)	(35,100)	-	35,100
Total revenues	669,301	669,301	1,213,201	543,900
Expenditures:				
Current:				
Transportation	231,867	188,580	159,258	29,322
Economic environment	-	285	-	285
Capital outlay	10,237,210	9,942,231	1,071,614	8,870,617
Total expenditures	10,469,077	10,131,096	1,230,872	8,900,224
Excess of revenues over (under) expenditures	(9,799,776)	(9,461,795)	(17,671)	9,444,124
Other financing sources (uses):				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	(1,000,000)	(1,000,000)	(1,000,000)	-
Net change in fund balances	(10,799,776)	(10,461,795)	(1,017,671)	9,444,124
Fund balances, October 1, 2010	10,799,776	10,461,795	10,461,795	-
Fund balances, September 30, 2011	\$ -	\$ -	\$ 9,444,124	\$ 9,444,124

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 18,206,000	\$ 16,543,614	\$ 16,788,040	\$ 244,426
Special assessments	21,224,642	21,481,794	5,591,669	(15,890,125)
Intergovernmental	62,987,866	57,266,595	16,744,573	(40,522,022)
Charges for services	350,000	350,000	-	(350,000)
Investment income	6,905,000	6,905,000	11,844,664	4,939,664
Miscellaneous	15,074,644	11,592,064	1,714,236	(9,877,828)
Less 5% anticipated revenues	(1,449,556)	(1,449,556)	-	1,449,556
Total revenues	123,298,596	112,689,511	52,683,182	(60,006,329)
Expenditures:				
Current:				
General government	3,281,420	3,281,420	750,217	2,531,203
Transportation	13,161,837	16,392,282	6,138,931	10,253,351
Economic environment	648,055	583,023	-	583,023
Capital outlay	467,749,994	450,336,928	47,197,809	403,139,119
Debt service	-	76,407	76,746	(339)
Total expenditures	484,841,306	470,670,060	54,163,703	416,506,357
Excess of revenues over (under) expenditures	(361,542,710)	(357,980,549)	(1,480,521)	356,500,028
Other financing sources (uses):				
Transfers in	814,000	814,000	814,000	-
Transfers out	(7,776,278)	(25,485,407)	(25,485,407)	-
Issuance of long-term debt	-	30,691,407	30,691,407	-
Total other financing sources (uses)	(6,962,278)	6,020,000	6,020,000	-
Net change in fund balances	(368,504,988)	(351,960,549)	4,539,479	356,500,028
Fund balances, October 1, 2010	368,504,988	351,960,549	351,960,548	(1)
Fund balances, September 30, 2011	\$ -	\$ -	\$ 356,500,027	\$ 356,500,027

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Fund - General Government Capital Projects Fund
For the fiscal year ended September 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ 460	\$ 460
Special assessments	252,560	252,560	368,038	115,478
Intergovernmental	23,139,908	17,427,564	7,035,380	(10,392,184)
Charges for services	3,168,270	3,201,053	193,218	(3,007,835)
Fines and forfeitures	900,000	900,000	1,121,283	221,283
Investment income	7,365,312	7,123,175	4,414,118	(2,709,057)
Miscellaneous	760,751	2,269,448	1,234,981	(1,034,467)
Less 5% anticipated revenues	(380,249)	(380,249)	-	380,249
Total revenues	35,206,552	30,793,551	14,367,478	(16,426,073)
Expenditures:				
Current:				
General government	107,551,689	108,405,825	56,838,692	51,567,133
Public safety	114,253	100,248	13,908	86,340
Physical environment	5,288,109	3,873,383	2,997,470	875,913
Transportation	528,971	5,659,865	510,273	5,149,592
Economic environment	1,433,301	1,128,732	195,992	932,740
Human services	95,976	95,976	-	95,976
Capital outlay	103,161,438	93,160,797	12,616,424	80,544,373
Debt service	581,425	213,909	-	213,909
Total expenditures	218,755,162	212,638,735	73,172,759	139,465,976
Excess of revenues over (under) expenditures	(183,548,610)	(181,845,184)	(58,805,281)	123,039,903
Other financing sources (uses):				
Transfers in	14,347,990	32,237,416	30,643,363	(1,594,053)
Transfers out	(13,668,621)	(12,621,384)	(12,619,150)	2,234
Total other financing sources (uses)	679,369	19,616,032	18,024,213	(1,591,819)
Net change in fund balances	(182,869,241)	(162,229,152)	(40,781,068)	121,448,084
Fund balances, October 1, 2010 (Restated)	182,869,241	162,229,152	164,279,154	2,050,002
Fund balances, September 30, 2011	\$ -	\$ -	\$ 123,498,086	\$ 123,498,086

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.

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, 2011

	Fleet Management	Combined Insurance Fund	Clerk & Comptroller Insurance Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 10,750,297	\$ 80,905,913	\$ 3,348,467	\$ 95,004,677
Accounts receivable, net	525	2,119,700	-	2,120,225
Due from other county funds	2,780,221	915,704	164,813	3,860,738
Due from other governments	345,974	43,726	-	389,700
Due from component unit	1,579	1,768	-	3,347
Inventory	1,729,710	-	-	1,729,710
Other assets	31,169	4,315,602	-	4,346,771
Total current assets	15,639,475	88,302,413	3,513,280	107,455,168
Capital assets:				
Buildings	206,558	-	-	206,558
Improvements other than buildings	512,286	-	-	512,286
Furniture, fixtures and equipment	74,551,543	297,354	-	74,848,897
Accumulated depreciation	(47,540,195)	(234,169)	-	(47,774,364)
Total assets	43,369,667	88,365,598	3,513,280	135,248,545
LIABILITIES				
Current liabilities:				
Vouchers payable and accrued liabilities	1,753,954	2,297,845	3,000	4,054,799
Due to other county funds	13,136	368	88,685	102,189
Due to other governments	51	-	-	51
Due to individuals	-	-	103,028	103,028
Current portion of long-term debt	40,586	32,592	-	73,178
Insurance claims payable	-	11,995,923	742,000	12,737,923
Total current liabilities	1,807,727	14,326,728	936,713	17,071,168
Other long-term liabilities	599,258	41,689,278	-	42,288,536
Total liabilities	2,406,985	56,016,006	936,713	59,359,704
NET ASSETS				
Invested in capital assets, net of related debt	27,730,192	63,185	-	27,793,377
Unrestricted	13,232,490	32,286,407	2,576,567	48,095,464
Total net assets	\$ 40,962,682	\$ 32,349,592	\$ 2,576,567	\$ 75,888,841

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, 2011

	Fleet Management	Combined Insurance Fund	Clerk & Comptroller Insurance Fund	Total
Operating revenues:				
Charges for services	\$ 33,679,997	\$ 75,505,534	\$ 7,592,739	\$ 116,778,270
Total operating revenues	33,679,997	75,505,534	7,592,739	116,778,270
Operating expenses:				
Transportation services	23,518,907	-	-	23,518,907
Self-insurance services	-	71,892,749	7,553,113	79,445,862
Depreciation and amortization	8,636,781	23,413	-	8,660,194
Total operating expenses	32,155,688	71,916,162	7,553,113	111,624,963
Operating income	1,524,309	3,589,372	39,626	5,153,307
Nonoperating revenues:				
Investment income	345,183	2,760,763	2,180	3,108,126
Other revenues	1,367,721	1,715,863	-	3,083,584
Total nonoperating revenues	1,712,904	4,476,626	2,180	6,191,710
Income before capital contributions and transfers	3,237,213	8,065,998	41,806	11,345,017
Capital contributions	35,000	-	-	35,000
Transfers out	(7,611)	(59,156)	-	(66,767)
Change in net assets	3,264,602	8,006,842	41,806	11,313,250
Net Assets October 1, 2010	37,698,080	24,342,750	2,534,761	64,575,591
Net Assets September 30, 2011	\$ 40,962,682	\$ 32,349,592	\$ 2,576,567	\$ 75,888,841

PALM BEACH COUNTY, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended September 30, 2011

	Fleet Management	Combined Insurance Fund
Cash flows from operating activities:		
Cash received from customers	\$ 1,489,571	\$ 9,647,826
Cash received from other funds for goods and services	31,718,972	67,658,634
Cash payments to vendors for goods and services	(17,247,171)	(14,964,134)
Cash payments to employees for services	(5,148,237)	(2,201,052)
Cash payments to other funds	(1,520,191)	(1,174,984)
Claims paid	-	(66,569,864)
Other receipts	130,468	1,716,611
Net cash provided by (used in) operating activities	9,423,412	(5,886,963)
Cash flows from noncapital financing activities:		
Transfers out	(7,611)	(59,156)
Net cash (used in) noncapital financing activities	(7,611)	(59,156)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	1,442,935	135
Purchase and construction of capital assets	(10,890,119)	-
Net cash provided by (used in) capital and related financing activities	(9,447,184)	135
Cash flows from investing activities:		
Interest on investments	345,183	2,760,763
Net cash provided by investing activities	345,183	2,760,763
Net increase (decrease) in cash and cash equivalents	313,800	(3,185,221)
Cash and cash equivalents, October 1, 2010	10,436,497	84,091,134
Cash and cash equivalents, September 30, 2011	\$ 10,750,297	\$ 80,905,913
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,524,309	\$ 3,589,372
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	8,636,781	23,413
Miscellaneous revenue	130,468	1,716,611
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	19,012	(255,934)
(Increase) decrease in due from other county funds	(358,436)	2,024,878
(Increase) decrease in due from other governments	(130,451)	29,859
(Increase) in inventory	(185,410)	-
(Increase) in other assets	-	(104,135)
Decrease in due from component unit	(1,579)	2,123
Increase (decrease) in vouchers payable and accrued liabilities	(126,045)	(5,201,620)
(Decrease) in due to other county funds	(24,125)	(221)
Increase (decrease) in due to other governments	8	(144,898)
Increase in current portion of long-term debt	9,969	14,047
(Decrease) in insurance claims payable	-	(9,260,259)
Increase (decrease) in other long-term liabilities	(71,089)	1,679,801
Net cash provided by (used in) operating activities	\$ 9,423,412	\$ (5,886,963)
Supplemental disclosure of noncash capital and related financing activities:		
Contribution of capital assets	\$ 35,000	\$ 10,500

Clerk & Comptroller Insurance Fund	Total
\$ 1,175,004	\$ 12,312,401
6,688,488	106,066,094
(2,521,847)	(34,733,152)
(88,685)	(7,437,974)
-	(2,695,175)
(5,647,315)	(72,217,179)
-	1,847,079
<u>(394,355)</u>	<u>3,142,094</u>
-	(66,767)
-	(66,767)
-	1,443,070
-	(10,890,119)
-	(9,447,049)
2,180	3,108,126
2,180	3,108,126
(392,175)	(3,263,596)
3,740,642	98,268,273
<u>\$ 3,348,467</u>	<u>\$ 95,004,677</u>
\$ 39,626	\$ 5,153,307
-	8,660,194
-	1,847,079
1,185	(235,737)
253,468	1,919,910
16,100	(84,492)
-	(185,410)
-	(104,135)
-	544
2,182	(5,325,483)
(642,916)	(667,262)
-	(144,890)
-	24,016
(64,000)	(9,324,259)
-	1,608,712
<u>\$ (394,355)</u>	<u>\$ 3,142,094</u>
<u>\$ -</u>	<u>\$ 45,500</u>



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, 2011

AGENCY FUNDS					
	Board of County Commissioners	Sheriff	Clerk & Comptroller	Tax Collector	Total Agency Funds
ASSETS					
Cash and cash equivalents	\$ 6,783,509	\$ 1,434,748	\$ 41,686,810	\$ 53,718,932	\$ 103,623,999
Investments	-	-	-	45,970	45,970
Accounts receivable, net	461	305,192	75,984	232,429	614,066
Due from other governments	58,308	1,544,733	-	1,347	1,604,388
Other assets	-	325	-	-	325
Total assets	\$ 6,842,278	\$ 3,284,998	\$ 41,762,794	\$ 53,998,678	\$ 105,888,748
LIABILITIES					
Vouchers payable and accrued liabilities	\$ 4,448,682	\$ 92,480	\$ -	\$ 457,694	\$ 4,998,856
Due to other governments	236,317	302,563	9,654,206	27,334,863	37,527,949
Due to individuals	2,039,206	2,889,955	32,108,588	26,206,121	63,243,870
Other liabilities	118,073	-	-	-	118,073
Total liabilities	\$ 6,842,278	\$ 3,284,998	\$ 41,762,794	\$ 53,998,678	\$ 105,888,748

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2011

BOARD OF COUNTY COMMISSIONERS

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
ASSETS				
Cash and cash equivalents	\$ 6,653,832	\$ 71,885,805	\$ 71,756,128	\$ 6,783,509
Investments	-	-	-	-
Accounts receivable, net	4,726	-	4,265	461
Due from other county funds	-	504	504	-
Due from other governments	63,494	58,255	63,441	58,308
Other assets	-	-	-	-
Total assets	\$ 6,722,052	\$ 71,944,564	\$ 71,824,338	\$ 6,842,278
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 3,919,962	\$ 54,949,914	\$ 54,421,194	\$ 4,448,682
Due to other county funds	-	6,142,898	6,142,898	-
Due to other governments	323,177	996,586	1,083,446	236,317
Due to component unit	-	1,016	1,016	-
Due to individuals	2,198,248	1,977,003	2,136,045	2,039,206
Other liabilities	280,665	7,191,808	7,354,400	118,073
Total liabilities	\$ 6,722,052	\$ 71,259,225	\$ 71,138,999	\$ 6,842,278

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2011

SHERIFF

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
ASSETS				
Cash and cash equivalents	\$ 279,460	\$ 94,290,899	\$ 93,135,611	\$ 1,434,748
Investments	-	-	-	-
Accounts receivable, net	437,188	7,417,308	7,549,304	305,192
Due from other county funds	-	13,295,672	13,295,672	-
Due from other governments	1,664,752	47,808,045	47,928,064	1,544,733
Other assets	408	860	943	325
Total assets	\$ 2,381,808	\$ 162,812,784	\$ 161,909,594	\$ 3,284,998
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 56,484	\$ 5,330,049	\$ 5,294,053	\$ 92,480
Due to other county funds	-	134,790,606	134,790,606	-
Due to other governments	571,848	922,769	1,192,054	302,563
Due to component unit	-	-	-	-
Due to individuals	1,753,476	12,093,174	10,956,695	2,889,955
Other liabilities	-	45,059,882	45,059,882	-
Total liabilities	\$ 2,381,808	\$ 198,196,480	\$ 197,293,290	\$ 3,284,998

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2011

CLERK & COMPTROLLER

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
ASSETS				
Cash and cash equivalents	\$ 57,571,878	\$ 525,048,853	\$ 540,933,921	\$ 41,686,810
Investments	-	-	-	-
Accounts receivable, net	86,103	6,965,470	6,975,589	75,984
Due from other county funds	-	5,681,755	5,681,755	-
Due from other governments	12,093	-	12,093	-
Other assets	-	-	-	-
Total assets	\$ 57,670,074	\$ 537,696,078	\$ 553,603,358	\$ 41,762,794
LIABILITIES				
Vouchers payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other county funds	-	25,625,325	25,625,325	-
Due to other governments	11,243,294	282,805,087	284,394,175	9,654,206
Due to component unit	-	-	-	-
Due to individuals	46,426,780	177,590,299	191,908,491	32,108,588
Other liabilities	-	-	-	-
Total liabilities	\$ 57,670,074	\$ 486,020,711	\$ 501,927,991	\$ 41,762,794

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2011

TAX COLLECTOR

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
ASSETS				
Cash and cash equivalents	\$ 44,621,023	\$ 3,251,127,175	\$ 3,242,029,266	\$ 53,718,932
Investments	45,953	17	-	45,970
Accounts receivable, net	99,347	5,300,734	5,167,652	232,429
Due from other county funds	-	-	-	-
Due from other governments	154	3,389	2,196	1,347
Other assets	-	-	-	-
Total assets	\$ 44,766,477	\$ 3,256,431,315	\$ 3,247,199,114	\$ 53,998,678
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 553,979	\$ 465,985	\$ 562,270	\$ 457,694
Due to other county funds	-	-	-	-
Due to other governments	37,607,422	2,291,343,189	2,301,615,748	27,334,863
Due to component unit	-	-	-	-
Due to individuals	6,605,076	978,579,305	958,978,260	26,206,121
Other liabilities	-	-	-	-
Total liabilities	\$ 44,766,477	\$ 3,270,388,479	\$ 3,261,156,278	\$ 53,998,678

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2011

TOTAL AGENCY FUNDS

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
ASSETS				
Cash and cash equivalents	\$ 109,126,193	\$ 3,942,352,732	\$ 3,947,854,926	\$ 103,623,999
Investments	45,953	17	-	45,970
Accounts receivable, net	627,364	19,683,512	19,696,810	614,066
Due from other county funds	-	18,977,931	18,977,931	-
Due from other governments	1,740,493	47,869,689	48,005,794	1,604,388
Other assets	408	860	943	325
Total assets	\$ 111,540,411	\$ 4,028,884,741	\$ 4,034,536,404	\$ 105,888,748
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 4,530,425	\$ 60,745,948	\$ 60,277,517	\$ 4,998,856
Due to other county funds	-	166,558,829	166,558,829	-
Due to other governments	49,745,741	2,576,067,631	2,588,285,423	37,527,949
Due to component unit	-	1,016	1,016	-
Due to individuals	56,983,580	1,170,239,781	1,163,979,491	63,243,870
Other liabilities	280,665	52,251,690	52,414,282	118,073
Total liabilities	\$ 111,540,411	\$ 4,025,864,895	\$ 4,031,516,558	\$ 105,888,748



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>	182
Revenue Capacity Information <i>These schedules contain information to help the reader assess the County's most significant local revenue source, Property taxes.</i>	194
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>	203
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>	209
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>	212

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*



FINANCIAL TRENDS INFORMATION

TABLE I
PALM BEACH COUNTY, FLORIDA
Net Assets by Component
Last Ten Fiscal Years
September 30, 2011
(accrual basis of accounting)

	2011	2010	2009	2008
Governmental activities				
Invested in capital assets, net of related debt	\$ 1,489,989,254	\$1,450,011,423	\$1,379,604,426	\$1,259,900,977
Restricted	595,555,856	775,130,243	791,216,501	721,136,994
Unrestricted	266,652,171	125,567,464	215,300,661	404,592,872
Subtotal governmental activities net assets	<u>2,352,197,281</u>	<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	956,542,617	1,279,889,595	1,295,978,868	1,221,939,326
Restricted	80,426,727	100,822,222	102,511,960	81,853,521
Unrestricted	244,844,404	289,268,076	247,786,962	256,633,886
Subtotal business-type activities net assets	<u>1,281,813,748</u>	<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	2,446,531,871	2,729,901,018	2,675,583,294	2,481,840,303
Restricted	675,982,583	875,952,465	893,728,461	802,990,515
Unrestricted	511,496,575	414,835,540	463,087,623	661,226,758
Total primary government net assets	<u>\$ 3,634,011,029</u>	<u>\$4,020,689,023</u>	<u>\$4,032,399,378</u>	<u>\$3,946,057,576</u>

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 Ten Fiscal Years
September 30, 2011
(accrual basis of accounting)

	2011	2010	2009	2008
Expenses				
Governmental activities:				
General government	\$ 341,822,193	\$ 371,148,103	\$ 361,226,125	\$ 350,734,704
Public safety	766,484,908	786,471,756	745,921,020	687,642,947
Physical environment	28,162,354	43,167,022	31,362,849	25,796,346
Transportation	154,340,423	156,220,175	159,185,218	164,201,354
Economic environment	81,393,923	81,413,581	97,971,339	213,041,163
Human services	103,147,354	105,602,745	102,646,882	101,164,791
Culture & recreation	116,388,965	125,116,020	119,372,592	124,177,434
Interest expense	51,630,978	54,553,591	57,030,394	49,875,129
Total governmental activities expenses	<u>1,643,371,098</u>	<u>1,723,692,993</u>	<u>1,674,716,419</u>	<u>1,716,633,868</u>
Business-type activities:				
Department of Airports	75,500,620	76,945,438	78,046,101	71,747,321
Water Utilities Department	147,231,279	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	<u>222,731,899</u>	<u>416,456,638</u>	<u>400,376,099</u>	<u>360,365,268</u>
Total primary government expenses	<u>1,866,102,997</u>	<u>2,140,149,631</u>	<u>2,075,092,518</u>	<u>2,076,999,136</u>
Program Revenues				
Governmental activities:				
Fines, fees and charges for services				
General government	102,103,820	103,620,685	114,047,649	129,124,303
Public safety	112,387,583	115,863,889	110,334,202	98,503,611
Physical environment	6,499,713	17,133,350	10,151,537	4,997,300
Transportation	20,060,113	18,614,170	17,193,688	26,379,224
Economic environment	3,058,264	3,437,443	3,290,607	3,227,522
Human services	3,351,710	3,348,276	3,698,309	5,897,399
Culture & recreation	16,699,485	15,373,433	14,251,315	12,332,208
Operating Grants and Contributions	209,692,465	166,400,734	124,370,724	132,135,333
Capital Grants and Contributions	22,045,772	17,336,040	18,467,156	40,630,120
Total governmental activities program revenue	<u>495,898,925</u>	<u>461,128,020</u>	<u>415,805,187</u>	<u>453,227,020</u>
Business-type activities:				
Fines, fees and charges for services				
Department of Airports	78,911,145	76,165,984	75,700,643	74,338,460
Water Utilities Department	152,312,882	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	22,455,857	29,919,742	39,857,577	59,477,117
Total business-type activities program revenue	<u>253,679,884</u>	<u>488,032,902</u>	<u>475,342,936</u>	<u>457,560,618</u>
Total primary government program revenues	<u>749,578,809</u>	<u>949,160,922</u>	<u>891,148,123</u>	<u>910,787,638</u>

	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 Ten Fiscal Years
September 30, 2011
(accrual basis of accounting)

(Continuations)

	2011	2010	2009	2008
Net (Expenses)/Revenue				
Governmental activities:	\$ (1,147,472,173)	\$ (1,262,564,973)	\$ (1,258,911,232)	\$ (1,263,406,848)
Business-type activities:	30,947,985	71,576,264	74,966,837	97,195,350
Total primary government net expense	<u>(1,116,524,188)</u>	<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	839,684,057	860,977,954	855,761,096	897,890,650
Utility service taxes	33,947,339	33,837,191	29,662,838	30,543,325
Local option gas taxes	44,603,467	44,949,024	45,472,637	46,068,630
Tourist development taxes	25,480,495	23,219,185	22,346,492	27,813,718
State shared sales tax-unrestricted	66,826,717	64,268,114	64,658,133	72,375,458
Franchise gross receipts fee	36,350,282	38,512,546	34,149,094	30,039,809
State shared revenue-unrestricted	52,288,454	87,130,547	62,583,579	59,369,923
Investment income	47,432,115	71,620,542	135,105,777	87,183,609
Other general revenues	2,073,844	3,638,664	8,562,331	6,092,958
Gain on disposal of capital assets	2,001,396	-	-	-
Transfers-net	(1,727,842)	(1,001,252)	1,100,000	9,654,866
Total governmental activities	<u>1,148,960,324</u>	<u>1,227,152,515</u>	<u>1,259,401,977</u>	<u>1,267,032,946</u>
Business-type activities:				
Investment income	8,271,098	7,506,002	11,984,220	9,684,500
Other general revenues	-	-	-	-
Gain on disposal of capital assets	-	-	-	77,493
Transfers-net	1,727,842	1,001,252	(1,100,000)	(9,654,866)
Special items	(4,045,999)	(56,381,415)	-	-
Total business-type activities	<u>5,952,941</u>	<u>(47,874,161)</u>	<u>10,884,220</u>	<u>107,127</u>
Total primary government	<u>1,154,913,265</u>	<u>1,179,278,354</u>	<u>1,270,286,197</u>	<u>1,267,140,073</u>
Change in Net Assets				
Governmental activities	1,488,151	(35,412,458)	490,745	3,626,098
Business-type activities	36,900,926	23,702,103	85,851,057	97,302,477
Total primary government	<u>\$ 38,389,077</u>	<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, 2011
(modified accrual basis of accounting)

Pre - GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions"

	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>

Post - GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions"

	2011
General Fund	
Nonspendable	\$ 6,528,628
Spendable:	
Restricted	15,615,345
Unassigned	178,636,195
Total general fund	<u>\$ 200,780,168</u>
All Other Governmental Funds	
Nonspendable	\$ 6,894,353
Spendable:	
Restricted	746,335,862
Assigned	201,848,573
Unassigned	(8,283,268)
Total all other governmental funds	<u>\$ 946,795,520</u>

GASB Statement No. 54 was implemented in fiscal year 2011.

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

Table IV
PALM BEACH COUNTY, FLORIDA
Changes in Fund Balance
Governmental Funds
Last Ten Fiscal Years
September 30, 2011
(modified accrual basis of accounting)

	2011	2010	2009	2008	2007
Revenues					
Taxes (See Table V)	\$ 969,585,795	\$ 990,532,379	\$ 981,612,885	\$ 1,060,648,899	\$ 1,103,524,951
Special assessments	14,264,557	14,280,821	12,800,895	30,766,826	37,199,384
Licenses and permits	50,712,934	51,631,037	45,277,203	14,495,838	18,905,841
Intergovernmental (See Table V)	289,165,379	281,852,363	230,405,234	231,253,335	225,178,347
Charges for services	259,016,731	270,399,489	268,772,594	263,170,088	258,533,429
Less - excess fees paid out	(39,568,304)	(42,088,065)	(45,435,474)	(48,986,202)	(50,266,917)
Fines & forfeitures	8,104,263	7,834,661	12,050,681	13,409,495	14,905,754
Investment income	44,264,314	66,901,016	127,214,081	84,558,686	97,232,629
Miscellaneous	20,006,576	26,792,351	23,927,073	25,256,701	39,679,635
Total revenues	1,615,552,245	1,668,136,052	1,656,625,172	1,674,573,666	1,744,893,053
Expenditures					
General government	320,404,417	320,528,157	301,345,410	310,329,730	313,015,263
Public safety	713,024,043	725,092,311	689,356,967	653,281,284	599,870,191
Physical environment	27,236,858	41,730,420	29,585,239	24,897,201	26,549,400
Transportation	120,620,172	121,543,922	129,347,587	136,380,373	133,592,630
Economic environment	81,389,450	81,075,787	99,032,530	175,019,052	155,367,439
Human services	102,158,971	103,155,921	101,393,023	99,860,522	99,109,754
Culture & recreation	100,116,700	107,158,290	103,713,504	106,653,976	103,809,416
Capital outlay	165,108,941	206,202,286	226,570,069	245,434,936	326,185,756
Debt service					
Principal	82,679,150	80,097,501	75,847,513	73,892,468	88,291,399
Interest	53,082,857	56,656,584	54,810,052	48,576,404	49,666,635
Other charges	3,354,054	3,464,706	2,771,849	4,845,829	665,931
Total expenditures	1,769,175,613	1,846,705,885	1,813,773,743	1,879,171,775	1,896,123,814
Excess of revenues over (under) expenditures	(153,623,368)	(178,569,833)	(157,148,571)	(204,598,109)	(151,230,761)
Other Financing Sources (Uses)					
Transfers in	202,873,127	796,831,395	874,338,459	790,518,983	789,706,485
Transfers out	(202,840,602)	(786,720,354)	(874,688,943)	(790,164,731)	(790,338,523)
Issuance of long-term debt	37,359,407	1,426,000	59,844,760	304,926,006	78,470,918
Premium (discount) long-term debt	-	-	804,667	5,446,308	561,966
Issuance of refunding debt	91,475,000	31,128,107	51,730,000	53,751,266	-
Premium (discount) refunding debt	14,763,603	1,114,948	979,778	797,115	-
Payment to escrow agent for refunding	(99,819,373)	(31,998,005)	(47,904,895)	(54,185,517)	-
Total other financing sources (uses)	43,811,162	11,782,091	65,103,826	311,089,430	78,400,846
Net change in fund balances	\$ (109,812,206)	\$ (166,787,742)	\$ (92,044,745)	\$ 106,491,321	\$ (72,829,915)
Debt service as a percentage of noncapital expenditures (1)	8.5%	8.3%	8.2%	7.5%	8.8%

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

	2006	2005	2004	2003	2002
\$	959,811,851	\$ 839,088,219	\$ 750,538,352	\$ 678,623,758	\$ 630,295,303
	93,320,734	106,468,425	96,267,382	92,674,006	88,984,709
	27,124,893	23,241,939	18,423,955	15,971,817	15,196,656
	274,002,360	255,413,934	211,072,156	191,300,405	188,659,369
	254,197,688	250,621,639	197,993,504	156,568,583	167,772,906
	(40,873,561)	(34,996,646)	(30,963,646)	-	-
	7,655,171	7,368,597	14,451,096	16,926,636	17,307,566
	71,586,595	31,087,205	30,482,437	26,711,503	54,270,496
	35,124,869	26,262,217	24,668,231	23,233,113	33,458,090
	<u>1,681,950,600</u>	<u>1,504,555,529</u>	<u>1,312,933,467</u>	<u>1,202,009,821</u>	<u>1,195,945,095</u>
	290,838,621	266,333,173	245,309,801	233,733,569	207,319,138
	574,135,189	514,830,158	455,658,451	413,014,162	374,776,192
	21,343,348	23,607,179	21,418,568	18,412,689	19,541,885
	121,777,304	133,742,817	101,418,238	87,911,562	83,668,447
	70,743,624	56,103,756	50,441,054	42,769,728	40,038,880
	91,612,500	87,112,369	87,273,324	79,186,286	73,151,152
	123,390,031	88,698,037	83,478,624	77,340,894	72,460,441
	228,383,696	253,918,590	193,564,051	177,374,886	185,824,438
	62,308,629	51,899,195	47,422,546	43,855,556	43,678,253
	45,439,931	37,950,596	34,920,376	34,037,366	37,025,562
	3,024,010	5,187,643	3,825,224	759,726	1,421,888
	<u>1,632,996,883</u>	<u>1,519,383,513</u>	<u>1,324,730,257</u>	<u>1,208,396,424</u>	<u>1,138,906,276</u>
	48,953,717	(14,827,984)	(11,796,790)	(6,386,603)	57,038,819
	649,145,798	558,070,700	549,407,015	511,941,179	491,802,641
	(654,200,798)	(550,031,074)	(546,159,652)	(510,386,523)	(491,777,708)
	105,504,655	246,305,233	107,127,451	55,537,758	18,659,000
	(48,226)	11,127,960	5,145,225	2,337,087	-
	115,825,000	76,555,000	94,297,549	-	18,560,000
	-	3,550,476	9,606,053	-	1,021,629
	(121,560,729)	(78,935,818)	(102,397,730)	-	(19,329,587)
	<u>94,665,700</u>	<u>266,642,477</u>	<u>117,025,911</u>	<u>59,429,501</u>	<u>18,935,975</u>
\$	<u>143,619,417</u>	<u>\$ 251,814,493</u>	<u>\$ 105,229,121</u>	<u>\$ 53,042,898</u>	<u>\$ 75,974,794</u>
	7.7%	7.1%	7.3%	7.4%	8.4%

TABLE V
PALM BEACH COUNTY, FLORIDA
Tax and Intergovernmental Revenue by Source
Last Ten Fiscal Years
September 30, 2011
(modified accrual basis of accounting)
(dollars in thousands)

County Taxes

Fiscal Year	Ad valorem Tax	Tourist		Utility Tax	Communication services		Franchise Fees (3)	Local Business Tax (3)	Total County Taxes
		Development Tax	Local option Gas tax		Tax	Tax			
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	
2011	839,684	25,481	44,603	33,947	24,126	-	1,745	969,586	

Intergovernmental Revenue

Fiscal Year	Sales Tax	State shared		Federal Grants (2)	State Other		Other (1)	Total Intergovernmental Revenue
		Revenue Sharing	State levied Fuel taxes		Grants	Grants		
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	
2011	66,827	56,053	15,698	117,734	22,733	10,120	289,165	

(1) Other revenue includes: Alcoholic Beverage Licenses, Racing Tax, Insurance Agent County Licenses, Mobile Home licenses, Firefighters Supplemental Comp, and 911 Wireless Fees.

(2) The increases in FY's 05, 06, 10 & 11 are the result of FEMA Disaster reimbursements for the hurricane damage suffered in Palm Beach County.

(3) 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, 2011
 (in thousands of dollars)

Fiscal Year Ended Sept. 30	Residential Property	Commercial Property	Industrial Property	Other Property
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	119,853,487	17,121,091	4,686,925	15,281,251
2011	119,094,910	16,438,542	4,581,373	14,794,213

Source: Palm Beach County Property Appraiser's Office, Form DR-403V and DRPC_AUTH.

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
\$ 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
9,341,651	95,024	166,379,429	155,555,378	28,865,751	126,689,627	4.5614
8,634,162	99,222	163,642,422	152,697,198	28,055,812	124,641,386	4.9960

TABLE VII
 PALM BEACH COUNTY, FLORIDA
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 September 30, 2011
 (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
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
2011	4.7500	0.2460	4.9960	8.1540	0.6240	0.0345	0.7513	1.1451	10.7089	15.7049

TABLE IX
 PALM BEACH COUNTY, FLORIDA
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 September 30, 2011

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
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
2011	873,688,271	30,051,107	843,637,164	833,742,236	98.8	5,941,820	839,684,056	99.5

Source: Palm Beach County Tax Collector's Office



TABLE X
PALM BEACH COUNTY, FLORIDA
Non-Ad Valorem Revenue
Last Ten Fiscal Years
September 30, 2011

Fiscal Year Ended Sept. 30	2011	2010 (4)	2009	2008
Charges for Other Services	\$ 79,154,771	\$ 87,470,077	\$ 81,137,945	\$ 49,967,579
Half-Cent Sales Tax	66,826,718	64,268,115	64,658,133	72,375,457
Electric Franchise Tax	33,262,458	34,017,118	29,913,714	25,042,044
Utility Service Tax	33,947,339	33,837,191	29,662,838	30,543,325
Communications Service Tax	24,125,967	25,645,070	26,446,677	28,992,767
State Revenue Sharing	22,779,584	21,985,390	22,072,684	24,757,350
Excess Fees - Sheriff (3)	17,777,509	15,635,667	17,192,263	7,697,452
Reimburse of Indirect Costs	18,015,373	15,912,878	14,277,742	13,357,131
Interest	14,296,094	26,413,522	57,833,423	34,257,321
Miscellaneous	16,638,345	16,465,716	13,524,257	23,109,714
Parks & Recreation Fees	12,905,162	12,631,848	12,559,968	12,311,308
Licenses & Permits	5,404,452	5,375,253	5,609,587	5,965,537
Available Tourist Development Tax	5,096,099	4,643,837	4,469,298	5,562,744
County Officer's Fees	6,355,787	6,335,079	3,218,454	2,750,190
Animal Regulation Fees	2,779,778	2,751,155	3,107,008	2,802,393
Fines and Forfeitures	1,956,199	1,760,663	2,337,136	1,979,045
Excess Fees - Supervisor of Elections (1) (3)	5,125,239	2,642,680	855,558	1,481,382
Excess Fees - Clerk & Comptroller (3)	1,161,931	1,415,897	492,167	503,679
Parking Revenue	364,290	373,136	353,503	213,747
Cable TV Franchise Tax (2)	-	-	-	-
Excess Fees - Property Appraiser (3)	-	-	-	-
Excess Fees - Tax Collector (3)	-	-	-	-
TOTALS	\$ 367,973,095	\$ 379,580,292	\$ 389,722,355	\$ 343,670,165

- (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) 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 'transfer-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 computation of the debt coverage ratio.
- (4) FY10 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.

	2007	2006	2005	2004	2003	2002
\$	47,855,195	\$ 37,429,716	\$ 31,166,150	\$ 30,867,264	\$ 29,437,466	\$ 28,273,977
	76,120,744	80,019,101	76,660,073	73,705,133	66,973,342	65,710,226
	25,495,545	25,022,599	20,836,584	17,905,261	17,824,293	16,468,768
	29,824,203	28,882,669	28,074,005	27,196,819	28,314,364	28,094,173
	29,489,576	28,514,647	28,392,841	26,277,301	22,016,697	20,875,937
	26,814,892	27,881,333	26,153,737	25,040,944	22,917,694	22,283,583
	10,290,391	3,048,686	8,762,824	8,015,401	16,216,318	23,719,248
	12,222,067	11,583,034	11,820,470	9,823,540	9,315,887	8,725,494
	38,635,994	28,689,237	12,433,189	12,338,681	11,170,042	21,357,264
	34,917,301	45,918,261	27,320,733	16,706,987	13,699,517	9,453,712
	10,555,850	11,033,646	9,882,421	9,474,905	9,477,537	8,578,510
	6,205,700	6,189,425	6,720,920	6,377,608	3,874,911	4,114,205
	5,672,139	5,882,141	5,629,094	4,962,054	4,332,524	3,037,109
	2,233,823	2,404,971	2,188,985	4,220,421	5,771,908	5,758,018
	2,299,257	2,467,856	2,662,967	2,510,009	2,541,806	2,252,860
	2,206,725	2,611,542	1,930,511	8,027,054	8,093,869	7,987,441
	651,827	-	-	-	-	-
	2,785,224	11,295,945	15,255,452	10,879,034	7,472,330	7,196,616
	270,741	254,324	260,879	296,471	362,934	377,930
	-	-	-	-	-	20,670
	-	-	-	-	-	1,669,863
	-	-	-	-	-	18,237,099
	<u>\$ 364,547,194</u>	<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>

DEBT CAPACITY INFORMATION

TABLE XI
PALM BEACH COUNTY, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
September 30, 2011
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities (1)		Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Non-Ad Valorem Revenue Bonds	Loans Payable	Capital Leases	Revenue Bonds	Loans Payable			
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	2.13	1,242
2008	290,410	882,004	75,494	7	540,533	80,000	1,868,448	2.42	1,443
2009	270,150	924,052	41,327	3	947,943	76,000	2,259,475	3.07	1,755
2010	250,470	877,633	30,317	-	854,243	72,000	2,084,663	N/A	1,579
2011	226,545	848,086	36,129	-	327,938	-	1,438,698	N/A	1,085

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 FY10 & FY11
(1) Beginning with fiscal year 2011, the Solid Waste Authority is no longer reported as part of the Primary Government.
(2) 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, 2011
(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
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	155,555,378	0.16%	1,320,134	189.73
2011	226,545	152,697,198	0.15%	1,325,758	170.88

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, 2011
 (dollars in thousands)

	<u>Debt Payable from Ad Valorem Taxes</u>			<u>Debt Payable from Non-Ad Valorem Revenues</u>			<u>Estimated Share of Direct & Overlapping Debt</u>
	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable based on Property Assessed Value</u>	<u>Estimated Share of Overlapping Debt</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable based on Population</u>	<u>Estimated Share of Overlapping Debt</u>	
Overlapping debt							
School District	\$ 37,215	100%	\$ 37,215	\$ 1,895,708	100%	\$ 1,895,708	\$1,932,923
South Florida Water Management Distr	-	100%	-	510,355	100%	510,355	510,355
Municipalities	<u>120,494</u>	43%	<u>51,812</u>	<u>392,631</u>	54%	<u>212,021</u>	<u>263,833</u>
Subtotal, overlapping debt	<u>\$ 157,709</u>		89,027	<u>\$ 2,798,694</u>		2,618,084	2,707,111
Direct debt			<u>226,545</u>			<u>884,215</u>	<u>1,110,760</u>
Total direct and overlapping debt			<u>\$ 315,572</u>			<u>\$ 3,502,299</u>	<u>\$3,817,871</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, 2011

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, 2011
(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			
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	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	
2011	59,593	41,832	367,973	3.63	159,222	99,591	59,631	10,036	9,863	19,899	3.00	

Note: Details regarding the County's outstanding debt can be found in the financial statements.

(1) The County has covenanted and agreed 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 County can show that the total amount of non-ad valorem revenues in each fiscal year in which bonds are outstanding will be greater than 2.00 times the non-self supporting debt service in each such fiscal year.

(2) The calculation of gross revenues excludes connection fees and extraordinary gains and the calculation of expenses excludes interest expense, depreciation and extraordinary losses.

DEMOGRAPHIC AND ECONOMIC INFORMATION

TABLE XVI
 PALM BEACH COUNTY, FLORIDA
 Demographic and Economic Statistics
 Last Ten Fiscal Years
 September 30, 2011

Year	Population	Personal Income	Per Capita Personal Income	Civilian Labor Force	Unemployment Rates
2002	1,183,197	\$53,158,863	\$44,832	553,833	6.4 %
2003	1,211,448	54,088,344	44,740	590,677	6.2
2004	1,242,270	60,761,948	48,994	598,785	5.7
2005	1,265,900	65,286,449	51,693	622,443	4.1
2006	1,287,987	71,720,669	56,665	645,211	3.7
2007	1,295,033	75,585,800	59,768	650,548	4.8
2008	1,294,654	77,339,224	60,909	655,669	7.3
2009	1,287,344	73,546,909	57,461	626,400	11.7
2010 *	1,320,134	N/A	N/A	623,320	12.4
2011	1,325,758	N/A	N/A	621,616	10.9

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 2010 and 2011.
 Personal Income data and Per Capita Income data is revised annually.
 Labor Force and Unemployment data are for September of each year.
 * Population data has been restated to reflect the 2010 Census.

TABLE XVII
PALM BEACH COUNTY, FLORIDA
Principal Employers
Current Year and Nine Years Ago

	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School Board	21,495	1	3.46%	18,677	1	3.37%
Palm Beach County Government	11,381	2	1.83%	9,000	2	1.63%
State Government	9,200	3	1.48%	8,705	3	1.57%
Federal Government	6,200	4	1.00%	5,660	4	1.02%
Tenet Healthcare Corp (2)	6,100	5	0.98%	-	-	-
Florida Power & Light Company (FPL)	3,632	6	0.58%	2,800	8	0.51%
G4S	3,000	7	0.48%	-	-	-
Hospital Corporation of America (HCA) (1)	2,714	8	0.44%	4,000	5	0.72%
Florida Atlantic University	2,706	9	0.44%	-	-	-
Bethesda Memorial Hospital	2,391	10	0.38%	-	-	-
U.S. Sugar Corporation	-	-	-	3,000	7	0.54%
Florida Crystals	-	-	-	2,000	10	0.36%
Intracoastal Health Systems, Inc. (2)	-	-	-	3,040	6	0.55%
Boca Raton Resort & Club	-	-	-	2,380	9	0.43%
Total	<u>68,819</u>		<u>11.07%</u>	<u>59,262</u>		<u>10.70%</u>

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, FLORIDA
County Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Employees as of September 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government										
Facilities Development & Operations	318	330	358	386	392	370	357	346	349	350
Planning, Zoning & Building	263	278	333	400	401	393	389	389	390	380
Clerk & Comptroller (1)	760	758	857	821	803	750	713	731	748	733
Property Appraiser	266	266	280	280	280	276	272	268	261	257
Tax Collector	269	269	269	269	280	284	284	288	288	288
Supervisor of Elections	42	42	45	45	45	41	39	39	36	35
Other	610	642	454	470	489	475	477	499	499	499
Public safety										
Fire-Rescue	1,511	1,542	1,473	1,471	1,418	1,298	1,239	1,172	1,114	1,044
Sheriff	3,919	4,011	3,848	3,812	3,615	3,502	3,322	3,210	3,115	3,026
Other	331	341	349	372	368	342	335	275	265	255
Physical environment										
Environmental Resources Management	125	130	130	136	140	132	127	123	116	112
County Cooperative Extension Service	28	32	36	39	39	39	40	38	38	37
Transportation										
Palm Tran	549	548	555	570	570	561	545	539	527	512
Engineering & Public Works	310	324	337	344	352	346	343	338	328	318
Economic environment										
Housing & Community Development	51	41	53	53	49	44	44	42	42	39
Other	74	55	57	60	60	61	62	60	50	51
Human services										
Community services	471	461	471	469	475	478	468	468	468	453
Other	14	15	15	15	16	15	14	14	14	13
Culture & recreation										
Parks & Recreation	595	624	657	699	720	698	634	619	595	554
County Libraries	452	452	452	481	416	394	384	377	369	361
Internal service funds										
Information System Services (2)	-	-	211	225	231	229	223	211	180	176
Graphics (3)	-	-	-	9	9	10	9	9	9	9
Fleet Management	60	64	70	72	69	69	68	68	65	64
Risk Management	30	32	36	37	37	37	36	36	36	36
Enterprise funds										
Airports	158	158	161	159	150	151	151	148	143	138
Water Utilities	558	561	505	518	499	440	433	427	423	416
Total	11,764	11,976	12,012	12,212	11,923	11,435	11,008	10,734	10,468	10,156

(1) 2009-2011 amounts have been revised based on additional information received.

(2) Effective beginning with FY 2010, ISS is now included in the General Fund under "General government - Other"

(3) Effective beginning with FY 2009, Graphics is now included in the General Fund under "General government - Other"

Source: Office of Financial Management and Budget

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

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government										
Planning, Zoning & Building										
Code enforcement violations	2,391	5,703	3,369	3,507	4,464	4,571	2,195	5,073	5,073	6,013
Construction plans reviewed	21,602	21,080	25,332	37,702	65,691	59,288	31,300	42,213	42,213	41,859
Permits issued	35,131	32,867	42,944	53,964	70,751	62,304	30,600	78,379	78,379	49,486
Public safety										
Fire-Rescue										
Response time	6:27	6:30	6:36	N/A	6:27	6:23	6:27	6:31	6:31	6:39
Fire responses	15,779	16,067	16,831	20,714	23,536	22,295	24,835	23,065	24,352	23,319
Medical responses	97,353	89,646	87,099	82,199	76,517	74,706	72,691	67,094	64,729	61,056
Inspections	30,073	27,013	27,044	25,475	22,281	20,079	18,630	16,936	15,632	14,195
Physical environment										
Environmental Resource Management										
Tonnage of artificial reef materials	18,400	10,000	1,650	3,150	4,900	23,484	35,900	23,300	3,000	15,270
Trees and plants planted or arranged	224,000	55,000	321,000	60,000	41,100	54,500	105,300	20,800	24,400	82,434
Cubic yards beach sand (thousands)	1,366	1,360	1,150	1,050	1,087	1,016	1,000	1,301	1,301	1,301
Transportation										
Palm Tran										
Passengers (millions)	10.3	10.0	9.8	10.1	9.3	8.3	7.5	7.1	6.3	5.8
Engineering & Public Works										
Land development permits issued	9	6	11	15	12	26	30	50	30	49
Lane miles of roads maintained	3,372	3,432	3,295	3,299	3,431	3,299	3,291	3,193	3,171	2,960
Lane miles resurfaced	22	52	53	45	35	50	86	62	77	91
Linear feet of roadway striped (millions)	1.0	1.0	1.8	1.1	0.8	1.4	1.7	1.5	1.2	2.2
Permits issued for construction of: right-of-ways, drainage and utilities	468	493	616	495	569	554	622	655	645	642
Economic environment										
Housing & Community Development										
Single-family new construction	3	0	25	60	2	0	29	8	8	12
Human services										
Enrollment - Head Start and Early Head Start	2,705	2,051	2,323	2,158	2,126	2,068	1,958	2,199	1,849	1,772
Children with disabilities	213	359	295	292	223	232	228	281	193	177
Meals - Head Start (thousands)	509	526	517	461	488	460	756	682	915	425
Culture & recreation										
Parks & Recreation										
Golf rounds played (thousands)	170	179	178	169	142	145	152	154	148	N/A
County Library										
Circulation (millions)	8.6	8.3	7.5	6.6	5.8	6.0	6.0	5.7	5.7	5.3
Cardholders (thousands)	556	535	517	499	486	477	469	459	451	445
Internal service funds										
Information System Services										
%CSRs on time - Applications	99%	85%	83%	82%	93%	92%	86%	85%	84%	84%
Graphics										
% timely delivery	99%	99%	99%	99%	98%	99%	99%	99%	99%	99%
Risk Management										
# of employees enrolled in Health ins	4,316	4,776	5,388	5,297	4,191	4,250	3,900	3,800	3,524	N/A
# of employees enrolled in Dental ins	3,841	3,643	3,295	3,298	3,122	3,125	3,100	2,893	2,893	N/A
Enterprise funds										
Water Utilities										
Average water dwelling units served (thousands)	223	223	221	219	207	197	186	181	181	174
Average wastewater treated per day (millions of gallons)	37.9	37.1	34.1	33.4	35.7	36.1	33.2	32.4	31.9	30.7
Airports										
Total passengers (millions)	5.9	5.9	6.6	7.0	6.8	7.0	6.4	5.9	5.4	6.1
Operating expense per passenger (prior years restated)	\$7.51	\$7.78	\$6.74	\$5.84	\$5.84	\$5.41	\$5.59	\$5.81	\$5.98	\$4.82
Operating revenue per passenger (prior years restated)	\$10.83	\$10.79	\$9.72	\$9.43	\$9.44	\$8.73	\$8.23	\$8.08	\$8.26	\$7.95

N/A = Not available

Sources: Office of Financial Management and Budget
Department of Airports

Note: 2011 data is not yet available.

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

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public safety										
Fire Rescue										
Fire Stations	49	49	47	45	44	43	40	40	40	39
Transportation										
Palm Tran										
Buses	184	158	161	154	176	160	140	140	139	139
Engineering & Public Works										
County Roads (mileage)	1,282	1,282	1,288	1,285	1,297	1,294	1,295	1,295	1,361	1,361
Traffic Lights	1,200	1,192	1,289	1,150	1,160	1,120	1,095	1,104	1,045	1,045
Culture & recreation										
Parks & Recreation										
Developed acres	5,713	5,702	5,074	5,067	5,134	4,817	4,195	3,798	3,786	3,714
Enterprise funds										
Water Utilities										
Water mains (miles)	2,141	2,121	2,126	2,162	2,081	2,064	1,880	1,784	1,666	1,515
Storage and repump stations	17	17	17	17	18	10	11	11	12	3
Fire hydrants	16,353	16,235	16,066	15,866	15,630	14,834	13,396	12,517	12,013	11,760
Sewers (miles)	1,157	1,152	1,145	1,142	1,132	1,103	953	963	955	868
Pump stations	768	764	767	764	762	750	692	674	650	635

Source: Office of Financial Management and Budget



SHARON R. BOCK
Clerk & Comptroller
Palm Beach County

www.mypalmbeachclerk.com