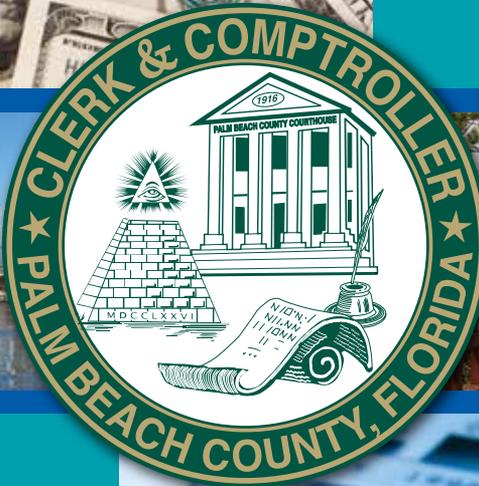




Comprehensive Annual Financial Report

Palm Beach County, Florida
Fiscal Year Ended
September 30, 2012



Prepared by the
Clerk & Comptroller's Office
Palm Beach County

About the Clerk & Comptroller's Office

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:



Sharon R. Bock
Clerk & Comptroller
Palm Beach County

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 (CAFR)* has earned the Government Finance Officers Association's (GFOA) "Certificate of Achievement for Excellence in Financial Reporting" for 23 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 the "Award for 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, 2012

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, 2012

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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 25, 2013

To the residents of Palm Beach County, Florida and the
Honorable Steven L. Abrams, Mayor, 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, 2012, 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 and 218.39, 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 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, 2012, 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, 2012, were fairly presented in conformity with GAAP.

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West Palm Beach, FL 33401

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Facsimile 561-355-6727

www.mypalmbeachclerk.com

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

PROFILE OF THE GOVERNMENT

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

The legislative and governing body of the County is the seven-member Board of County Commissioners (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 Mayor 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 and its independently elected constitutional officers provide a full range of services, including law enforcement, 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 financial services, including investment of public funds and financial reporting. The County also operates two enterprise activities; the Department of Airports and the Water Utilities Department. 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, 2012, 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. The surface water areas include the Intracoastal Waterway and approximately one-third of Lake Okeechobee. Lake Okeechobee is the largest freshwater lake in the state and the largest in the United States except for the Great Lakes. The County has 45 miles of shoreline and is 53 miles wide.

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.

There are 38 municipalities within the County encompassing a total of 324 square miles, or approximately 16% of the County's area. An estimated 56% of the County's population resides within the municipalities.

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 3% increase in revenues in fiscal year 2013. There are an estimated 61,800 people employed in jobs related to the tourism industry, with tourists contributing \$1.45 billion annually to the County's economy. Fiscal year 2012 tourism revenues increased almost 8% from the previous fiscal year.

Aerospace - Palm Beach County is particularly strong when it comes to aerospace engineering and manufacturing. 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, bell peppers and fresh sweet corn. It leads the state in the production of rice, 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 \$316 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 feet 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. Smaller bio-related companies have either expanded or moved to the County such as Ocean Ridge Biosciences LLC and Sancilio & Company, Inc.

Construction – During FY 2012, the total volume for permits remained approximately the same as FY 2011. The Building Permit fee revenue increased from \$11 million to \$11.9 million. In residential construction, there were 928 single unit permit starts and 23 multi-family unit permit starts representing 404 units compared to 875 single unit permits and 17 multi-unit permit starts as previously reported for FY 2011. Total value for these residential permit starts were \$340.3 million, compared to values of \$238.1 million seen in FY 2011. Many of the multi-family units are affordable housing grant recipients. Overall permitting shows an upward trend, reflective of an increase in property development.

LONG-TERM FINANCIAL PLANNING

The BOCC adopted a millage rate of 4.7815 (excluding debt service) for FY 2012, which is 1.92% below the roll back rate. Balancing the budget was challenging and required difficult funding decisions. This was accomplished by a careful review of County operations and capital project requirements. This year's cuts included \$19 million to County Departments and Agencies and \$1 million to reserves. A major component of the County Departments' cuts/reduced funding (approximately \$7 million) was from the reduced FRS pension contribution rate. The majority of this savings is from the new 3% employee contribution.

Reducing the levels of service in many programs is necessary to maintain funding for nearly all of the services that the Board has traditionally supplied to County residents and visitors. Funding will be available to keep commitments to employees (union contracts) and to provide adequate supplies, materials and equipment so they can perform their jobs safely and satisfactorily.

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 General Fund includes unassigned 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 this fund.

The County maintains year-end General Fund unassigned fund balance in an amount which is between 15% and 20% of audited General Fund expenditures and transfers to other funds. To the extent that the year-end audited fund balance falls outside this range, corrective action will be taken over a three-year period to bring the balance into conformity with this policy.

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.

The County's Ten-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 continue to be made in this endeavor. The first Homeless Resource Center – the Senator Philip D. Lewis Center – opened on July 2, 2012. The Center's operating budget is comprised of primarily Ad Valorem funds coupled with federal Community Development Block Grant dollars, grants and donations. An Agreement was signed late in FY 2011 between the BOCC and the Homeless Coalition of Palm Beach County, establishing a working relationship to advocate and educate on behalf for the homeless as well as pursue resources in support of the Ten-Year Plan, focusing on “back-door housing” – affordable long-term permanent housing for those served through the Lewis Center.

The County has selected a developer to build a hotel adjacent to the Palm Beach County Convention Center in downtown West Palm Beach. The BOCC recently approved a \$27 million public subsidy for the hotel's construction. Estimates are that the project will create more than 1,500 construction and tourism jobs and contribute more than \$1 billion to the County economy over 10 years. Construction of the 400- room Hilton Hotel is to commence by May 2014. Under the deal, the County will retain ownership of both the hotel and the property it sits on.

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, 2011. This was the 23rd 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, 2011. 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 six 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, 2011. This was the 26th 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 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, 2012

BOARD OF COUNTY COMMISSIONERS

SHELLEY VANA
County Commission Chair
District #3

KAREN T. MARCUS
County Commissioner
District #1

BURT AARONSON
County Commissioner
District #5

PAULETTE BURDICK
County Commissioner
District #2

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

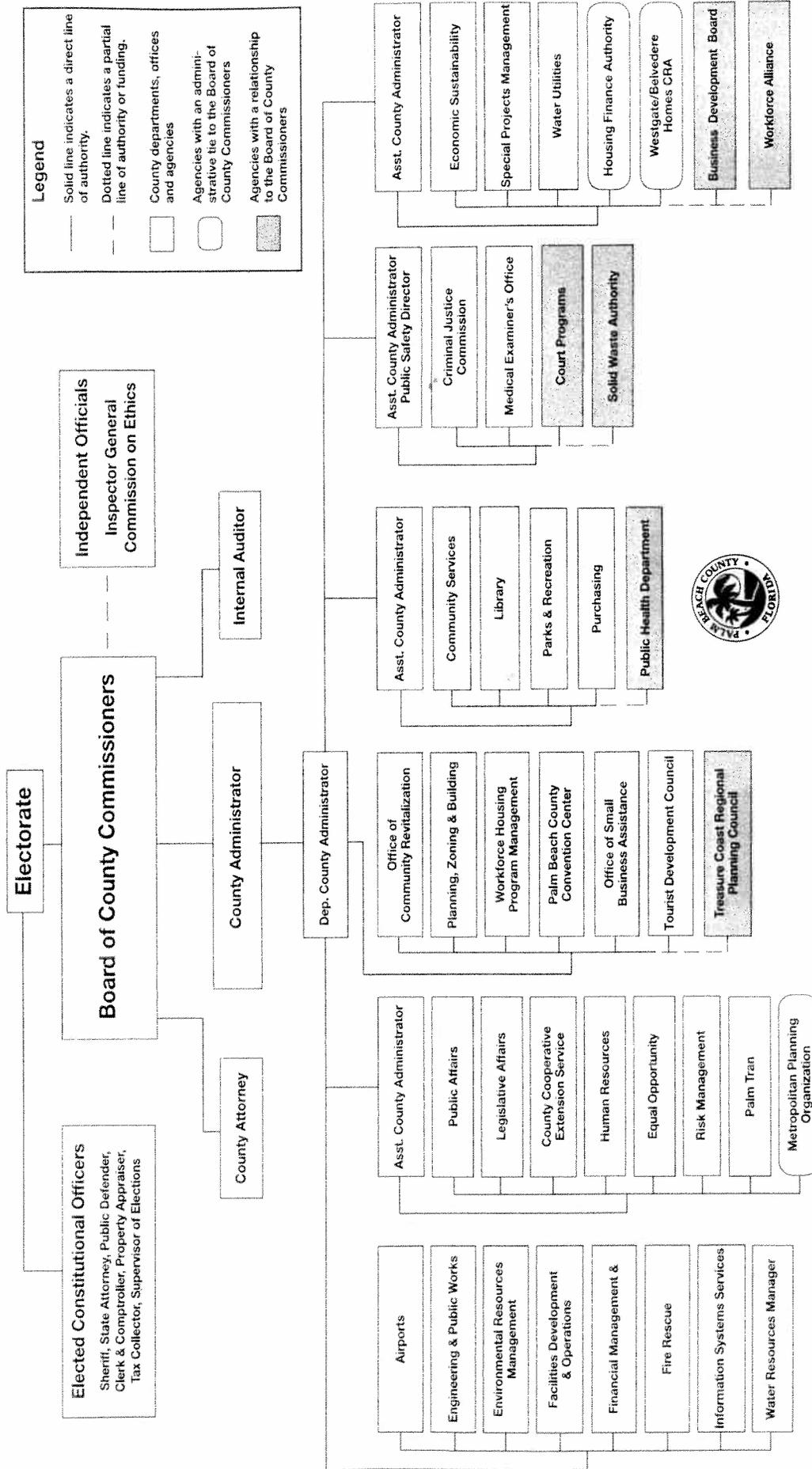
Susan Bucher
SUPERVISOR OF ELECTIONS

Gary R. Nikolits
PROPERTY APPRAISER

Anne Gannon
TAX COLLECTOR

Ric Bradshaw
SHERIFF

Palm Beach County Board of County Commissioners Organizational Structure as of FY 2011-2012



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, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Enos

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, 2012, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Palm Beach County, Florida, as of September 30, 2012, 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 25, 2013, 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.

Accounting principles generally accepted in the United States of America require that 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules 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 do not express an opinion or provide any assurance on them.

McGladrey LLP

West Palm Beach, Florida
March 25, 2013

Management's Discussion & Analysis



Photo: Morikami Museum and Japanese Gardens



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, 2012. 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).

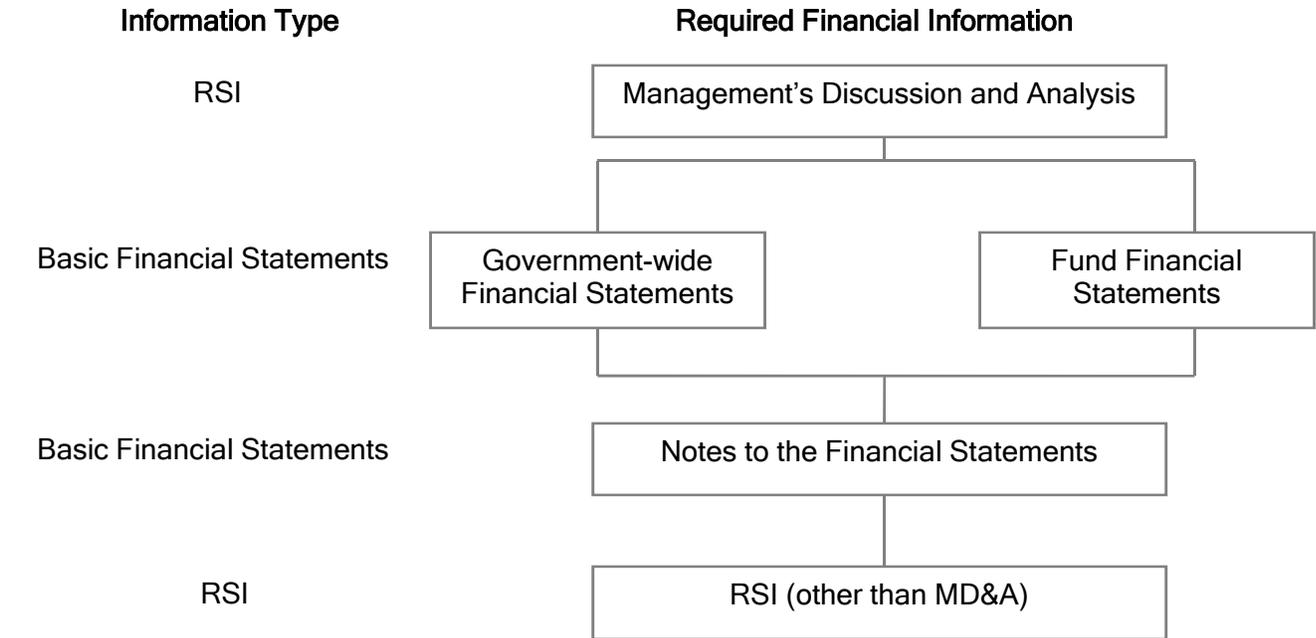
Financial Highlights

- The County's assets exceeded its liabilities (net assets) by approximately \$3.709 billion and \$3.634 billion at the close of fiscal years 2012 and 2011, respectively. Of these amounts, \$2.508 billion and \$2.446 billion were invested in capital assets, net of related debt. In addition, \$689 million and \$676 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, \$512 million and \$512 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 \$75 million, compared to an increase of \$38 million during the previous fiscal year. Business-type activities increased \$48 million, and governmental activities increased by \$27 million.
- At September 30, 2012, the County's governmental funds reported a combined ending fund balance of \$1.121 billion, a decrease of \$26.4 million or 2.3% from the previous year.
- At September 30, 2012, the fund balance for the General Fund, including Constitutional Officers, was \$217.6 million which is an increase of \$16.8 million or 8.4% from the previous year.
- The County's two enterprise funds had a combined increase in net assets of \$47.3 million. The Department of Airports increase was \$13.3 million and the Water Utilities Department had an increase of \$34.0 million.
- The County's total liabilities at September 30, 2012 and 2011 were \$1.886 billion and \$1.960 billion, respectively.

Overview of the Financial Statements

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

Minimum Financial Reporting Requirements



Government-wide Financial Statements

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

The government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) and activities that are supported by the recovery of all or most of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation functions. The business-type activities of the County are the Department of Airports 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, 2012 and 2011, the County's total net assets, or total assets less liabilities, were \$3.709 billion and \$3.634 billion, respectively. A significant portion of the County's net assets, \$2.508 billion or 67.6%, 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, 2012 and 2011, 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	
	2012	2011	2012	2011	2012	2011
Assets						
Current and other assets	\$ 1,388	\$ 1,446	\$ 419	\$ 380	\$ 1,807	\$ 1,826
Capital assets	2,528	2,500	1,260	1,268	3,788	3,768
Total assets	<u>3,916</u>	<u>3,946</u>	<u>1,679</u>	<u>1,648</u>	<u>5,595</u>	<u>5,594</u>
Liabilities						
Current	258	276	47	45	305	321
Long-term debt due in more than one year	1,279	1,318	302	321	1,581	1,639
Total liabilities	<u>1,537</u>	<u>1,594</u>	<u>349</u>	<u>366</u>	<u>1,886</u>	<u>1,960</u>
Net Assets						
Invested in capital assets, net of related debt	1,546	1,490	962	956	2,508	2,446
Restricted	608	595	81	81	689	676
Unrestricted	225	267	287	245	512	512
Total net assets	<u>\$ 2,379</u>	<u>\$ 2,352</u>	<u>\$ 1,330</u>	<u>\$ 1,282</u>	<u>\$ 3,709</u>	<u>\$ 3,634</u>

Governmental activities

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

- Current and other assets for Governmental activities decreased by \$58 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 \$28 million. Refer to the subsequent section on Capital assets for additional detail.
- The overall decrease in long-term debt for Governmental activities of \$39 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 \$27 million increase in the County's net assets during fiscal year 2012, as compared with a \$1 million increase during the previous fiscal year. This year's \$27 million increase in net assets from governmental activities is attributed to several factors:

Investment income decreased \$7 million or 15% from the previous fiscal year. The decrease was primarily the result of the aging of the portfolio combined with continued market low interest rates.

Ad valorem tax revenue decreased \$16 million or 2% from the previous fiscal year. The decrease continues to be due to lower overall taxable values.

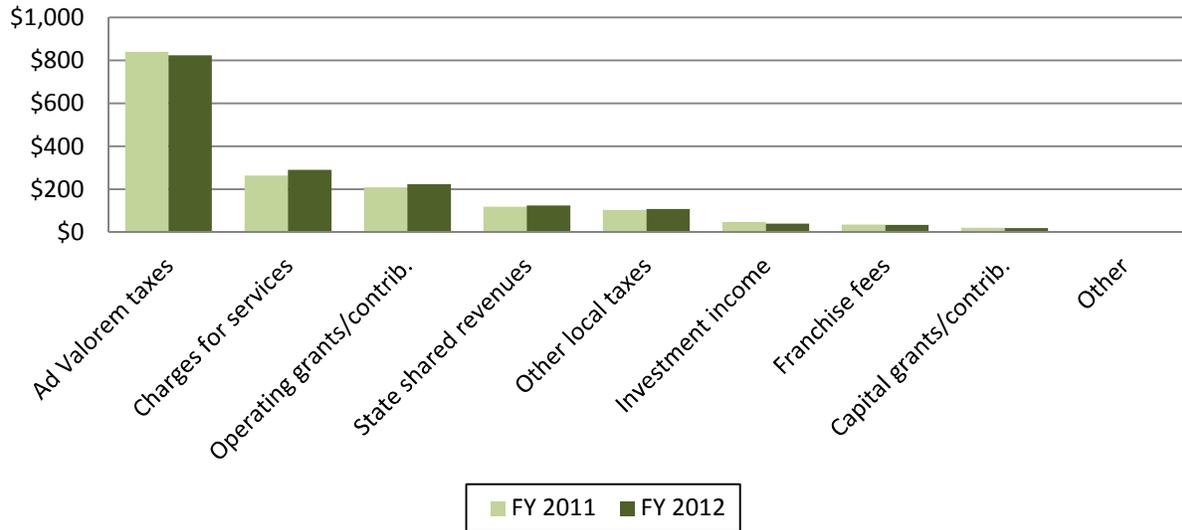
General government expenses decreased \$28 million or 8% from the previous fiscal year due in part to continued budget reduction strategies.

Economic environment expenses increased \$34 million or 42% from the previous fiscal year. This can be attributed in part to continued focus on the Bio-technology industry expansion.

Interest expense decreased \$4 million or 8% from the previous fiscal year due to lower debt service payments made in fiscal year 2012.

The County's governmental activities had net expenses of \$1.106 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 \$30 million.

REVENUES BY SOURCE
Governmental Activities
Fiscal Years 2011 and 2012
(Amounts in millions)



Business-type activities

The County’s business-type activities had total revenues of \$271 million and had total revenues in excess of total expenses of \$48 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 \$19 million during fiscal year 2012.

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

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for services	\$ 291	\$ 264	\$ 234	\$ 231	\$ 525	\$ 495
Operating grants and contributions	224	210	-	-	224	210
Capital grants and contributions	20	22	30	23	50	45
	<u>535</u>	<u>496</u>	<u>264</u>	<u>254</u>	<u>799</u>	<u>750</u>
General Revenues:						
Ad valorem taxes	824	840			824	840
Other local taxes	108	104			108	104
State shared revenues	125	119			125	119
Franchise fees	35	36			35	36
Investment income	40	47	7	8	47	55
Other	3	4	-	-	3	4
Total revenues	<u>1,670</u>	<u>1,646</u>	<u>271</u>	<u>262</u>	<u>1,941</u>	<u>1,908</u>
Expenses						
General government	314	342			314	342
Public safety	760	767			760	767
Physical environment	29	28			29	28
Transportation	168	154			168	154
Economic environment	115	81			115	81
Human services	98	103			98	103
Culture and recreation	108	116			108	116
Interest expense	48	52			48	52
Department of Airports			74	76	74	76
Water Utilities Department			149	147	149	147
Total expenses	<u>1,640</u>	<u>1,643</u>	<u>223</u>	<u>223</u>	<u>1,863</u>	<u>1,866</u>
Excess	30	3	48	39	78	42
Transfers In (Out)	(3)	(2)	3	2	-	-
Special Items	-	-	(3)	(4)	(3)	(4)
Change in net assets	<u>27</u>	<u>1</u>	<u>48</u>	<u>37</u>	<u>75</u>	<u>38</u>
Beginning net assets	2,352	2,351	1,282	1,245	3,634	3,596
Ending net assets	<u>\$ 2,379</u>	<u>\$ 2,352</u>	<u>\$ 1,330</u>	<u>\$ 1,282</u>	<u>\$ 3,709</u>	<u>\$ 3,634</u>

Financial Analysis of the Government's Funds

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

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

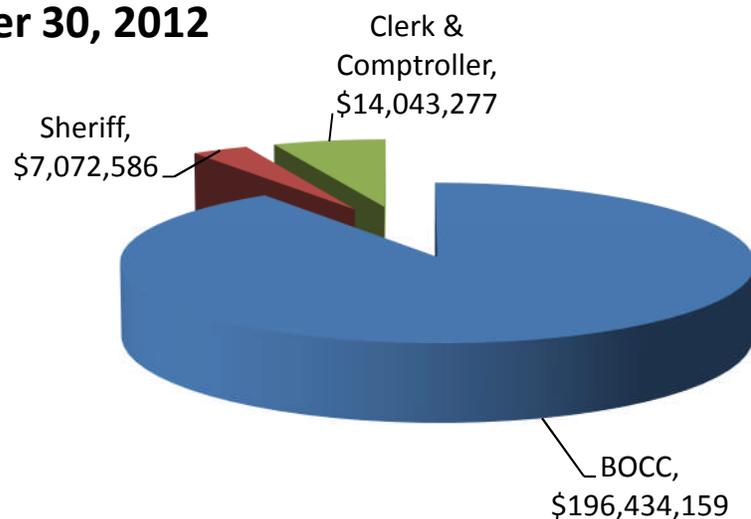
Changes in Fund Balance – Governmental Funds

- The increase in the General Fund's fund balance of \$16.8 million is primarily attributable to lower expenditures in the current year. General Government expenditures were lower by \$13.0 million from the previous year, as well as a decrease in Public Safety expenditures of \$10.0 million from the previous fiscal year.
- The increase in the Fire Rescue Special Revenue Fund of \$1.0 million is partially attributable to overall lower expenditures compared with the previous year.
- The decrease in the Community and Social Development Special Revenue Fund of \$4.3 million is related to fewer grants provided by both the federal and state governments.
- The increase of \$4.2 million in the Road Program Capital Projects Fund is related to overall reductions of road related expenditures in the current fiscal year.
- The decrease of \$10.4 million in the General Government Capital Projects Fund is due to the spending of County capital projects funds.

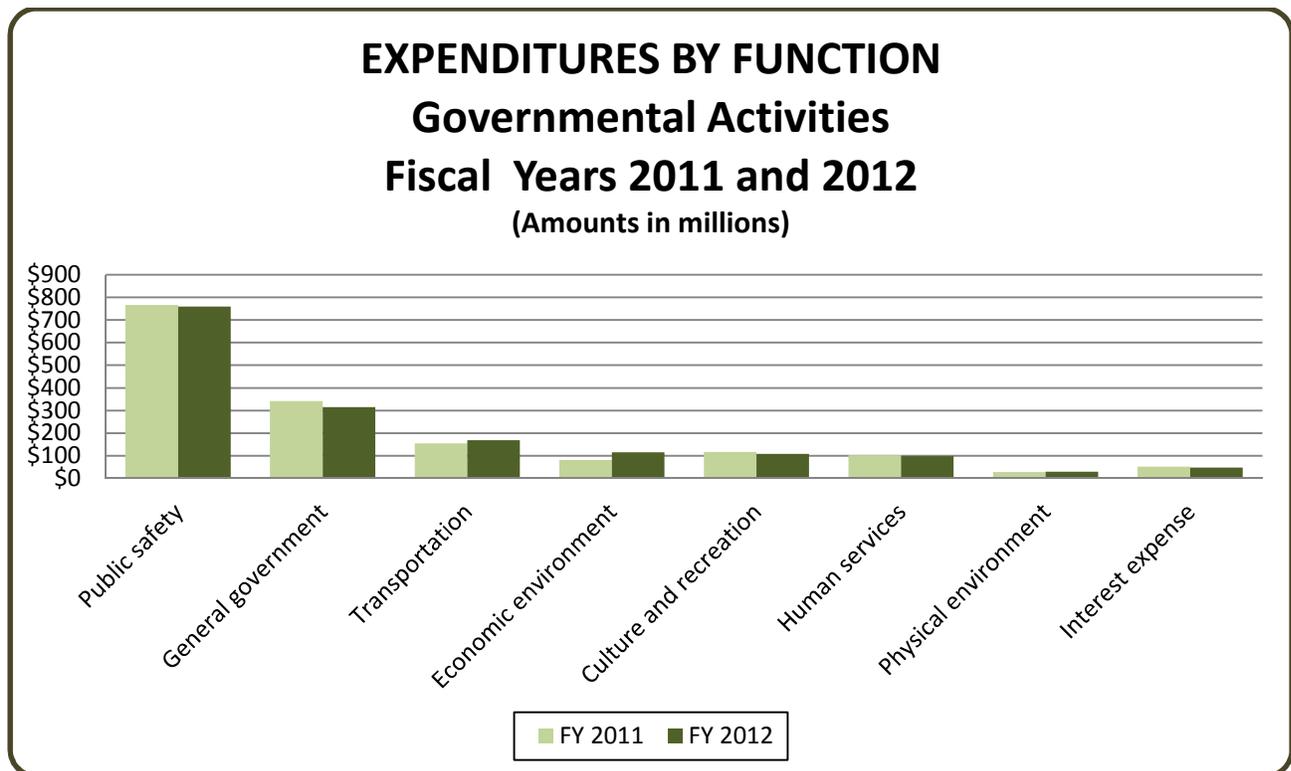
GENERAL FUND BALANCE BY CATEGORY

Total \$217,550,022

September 30, 2012



At September 30, 2012, the County’s governmental funds reported combined ending fund balances of \$1.121 billion, a decrease of \$26.4 million from the previous year. This decrease was the result of a combination of a \$16.8 million increase in the ending fund balance of the General Fund; a decrease of \$10.4 million in the General Government Program Capital Projects Fund; an increase in the Fire Rescue Special Revenue Fund of \$1.0 million; a decrease in the Community & Social Development Special Revenue Fund of \$4.3 million; an increase in the Road Program Capital Project Fund of \$4.2 million; and a decrease in Other Governmental Funds of \$33.7 million.



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

Department of Airports:

- Operating revenues decreased by \$900,000 (1%) to \$65.5 million. The largest contributor being airline rents which decreased by \$1.9 million, or 11%, over the prior year, due to decreased lease rates charged to airlines and decreased terminal area. Landing fee revenue decreased by \$128,000 (2%) as a result of decreased landing fees which declined 3.7% to signatory airlines. Pursuant to the Airline-Airport Use and Lease Agreement, rates to signatory carriers declined due to decreased net operating expenses to operate airline terminal and airfield facilities. Car rental concession revenues and non-airline rentals both

increased during fiscal year 2012 by a cumulative \$1.3 million, partially offsetting declines in airline rents and landing fees.

- ➔ Compared to the prior year, operating expenses (excluding depreciation and amortization) decreased by \$1.4 million, or 3.5%, to \$40.5 million in fiscal year 2012. Looking longer term, the Department's annual operating expenses were 11% less than in fiscal year 2009 which translates into annual savings of \$5 million. This reduction in costs has led to decreased rates to Airlines pursuant to the terms of our lease agreement with the signatory airlines. Cost savings have been achieved over a broad range of areas including salary freezes, reduced pension costs, decreased staffing, more favorable contracts, increased energy efficiency, and general cost cutting.
- ➔ As a result of the factors above, 2012 operating income before depreciation increased \$500,000.

Water Utilities Department:

- ◆ The Department's net assets increased by \$34.0 million, or 3.7%, compared to an increase of \$20.3 million, or 2.3% in fiscal year 2011.
- ◆ Long-term debt (net of the current portion) decreased by \$8.1 million, or 4.1%, during the year.
- ◆ Operating revenues in fiscal year 2012 totaled \$153.8 million, an increase of \$2.3 million or 1.5%. Fiscal year 2012 included the effect of rate indexing and a .4% increase in the customer base.
- ◆ Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled \$100.5 million, an increase of \$0.9 million or .9%.
- ◆ Non-operating income increased by \$1.8 million, or 75.0% in fiscal year 2012.
- ◆ The Department showed net income before contributions, transfers, and special item of \$16.7 million for fiscal year 2012, an increase of \$3.8 million or 29.2% from fiscal year 2011.

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 2012, supplemental appropriations to the Board of County Commissioners' budget excluding component units, were approximately \$346.6 million, or approximately 9% of the original adopted budget.

Differences between the original budget for fiscal year 2012 and the final amended budget for the General Fund can be summarized as follows:

- On March 20, 2012, 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 \$26.9 million adjustment to the reserves for balances forward in the General Government budget, reduced the Reserve for Contingency by \$2.6 million, reduced the transfer to the County Transportation Trust Fund in the amount of \$.3 million, increased the transfer to the Palm Tran Operations Fund in the amount of \$2.1 million, increased the transfers to debt service funds in the amount of \$.7 million, and the remaining \$.2 million for transfers for various Special Revenue funds and general government expenses.
- On November 20, 2012, the Board amended the budget to reflect year-end adjustments. These adjustments included recognizing the transfer of excess reserve balances in internal service funds in the amount of \$12.8 million and revenue from the SWA for hurricane Jeanne related refund in the amount of \$.3 million. These additional funds were appropriated as follows: Contingency Reserves - \$10.7 million, transfer to Capital Outlay fund of \$2.1 million to fund write-off of bad debt and \$.3 million as refund of prior year revenue.
- 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 \$115.7 million, which represents 80% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into fiscal year 2013 and will be re-appropriated.
- The actual Community Redevelopment Agency obligation was approximately \$900,000 under budget.
- Division of Juvenile Justice Pre-Predisposition Costs were \$2.2 million under budget.
- The remaining unspent funds can be primarily 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 \$5.4 million. In addition, actual delinquent ad valorem tax collections were \$1.4 million over budget.
- While State Revenue Sharing exceeded the budget in fiscal year 2012 by \$3.9 million, actual collections were only \$1.4 million over the previous year.
- The County received a \$1.8 million payment from FAU associated with the Scripps project. In FY 2011, this revenue was recorded in debt service Fund 2041. In FY 2012, this revenue was recorded in the General Fund and was unbudgeted.
- While investment income was approximately 5% under budget, 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 \$22.8 million, of which no amount was budgeted. The Clerk & Comptroller returned \$1.9 million in excess fees, \$1.4 million more than the final budget.

Capital Assets and Debt Administration

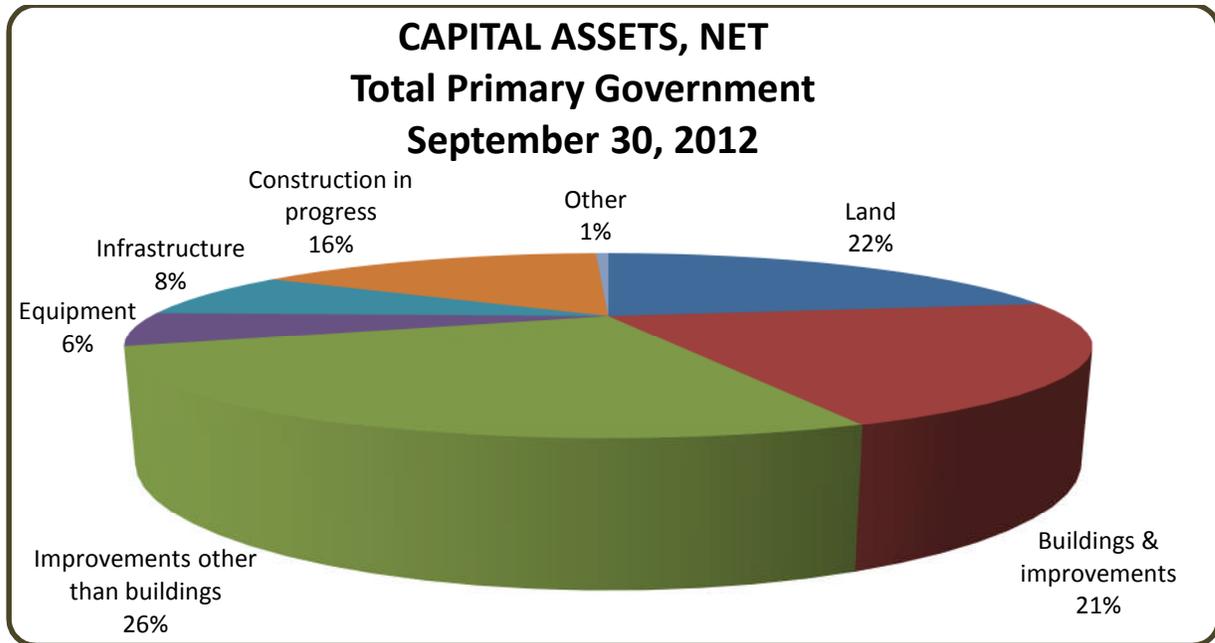
Capital assets. The County's capital assets for its governmental and business-type activities as of September 30, 2012, amounts to \$3.788 billion (net of accumulated depreciation). This investment in capital assets includes a broad range of capital assets, including land, buildings and improvements, improvements other than buildings, equipment, infrastructure, and construction in progress. The total increase in the County's capital assets for fiscal year 2012 was just under 1% or \$20 million, (a \$28 million increase for governmental activities and an \$8 million 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	
	2012	2011	2012	2011	2012	2011
Primary Government:						
Land	\$ 740	\$ 739	\$ 115	\$ 114	\$ 855	\$ 853
Buildings & improvements	561	564	238	250	799	814
Improvements other than buildings	167	162	819	823	986	985
Equipment	197	194	26	27	223	221
Infrastructure	303	323	-	-	303	323
Intangible - easement rights	-	-	12	11	12	11
Leasehold interest	-	-	4	6	4	6
Goodwill	-	-	6	6	6	6
Construction in progress	560	518	40	31	600	549
TOTALS	\$ 2,528	\$ 2,500	\$ 1,260	\$ 1,268	\$ 3,788	\$ 3,768

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

- Substantially completed projects during fiscal year 2012 included \$131.7 million for the Jail Expansion Project, improvements to 45th Street/Jog Road to Haverhill Road for \$12.8 million and \$2.3 million for the Main Library Expansion.
- Governmental activities Net Capital assets increased overall by \$28 million due to acquisitions of \$5 million for improvements other than buildings, \$3 million in equipment, \$1 million for land, and \$42 million added to Construction in progress, offset by reductions of infrastructure of \$20 million and buildings and improvements of \$3 million.
- Business-type activities Net Capital assets decreased overall by \$8 million to \$1.260 billion.
- Major projects by the Water Utilities Department included improvements to the Water Treatment Plant #2 for \$10.0 million and improvements to the Southern Region Water Reclamation Facility for \$2.8 million.
- The Department of Airports expended \$26.5 million on capital activities. Completed projects during 2012 totaling \$17.1 million were transferred from construction-in-progress to their respective capital accounts. The major projects completed in fiscal year 2012 involved runway and taxiway improvements, as well as parking garage rehabilitation.



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

Long-term liabilities. At September 30, 2012, the primary government had 44 issues of bonded debt totaling \$1.349 billion. Of this amount, \$210 million comprises debt backed by the full faith and credit of the government, \$824 million is special obligation debt secured by dedicated revenue sources and \$315 million is secured by specified enterprise revenue sources. See chart below for more information.

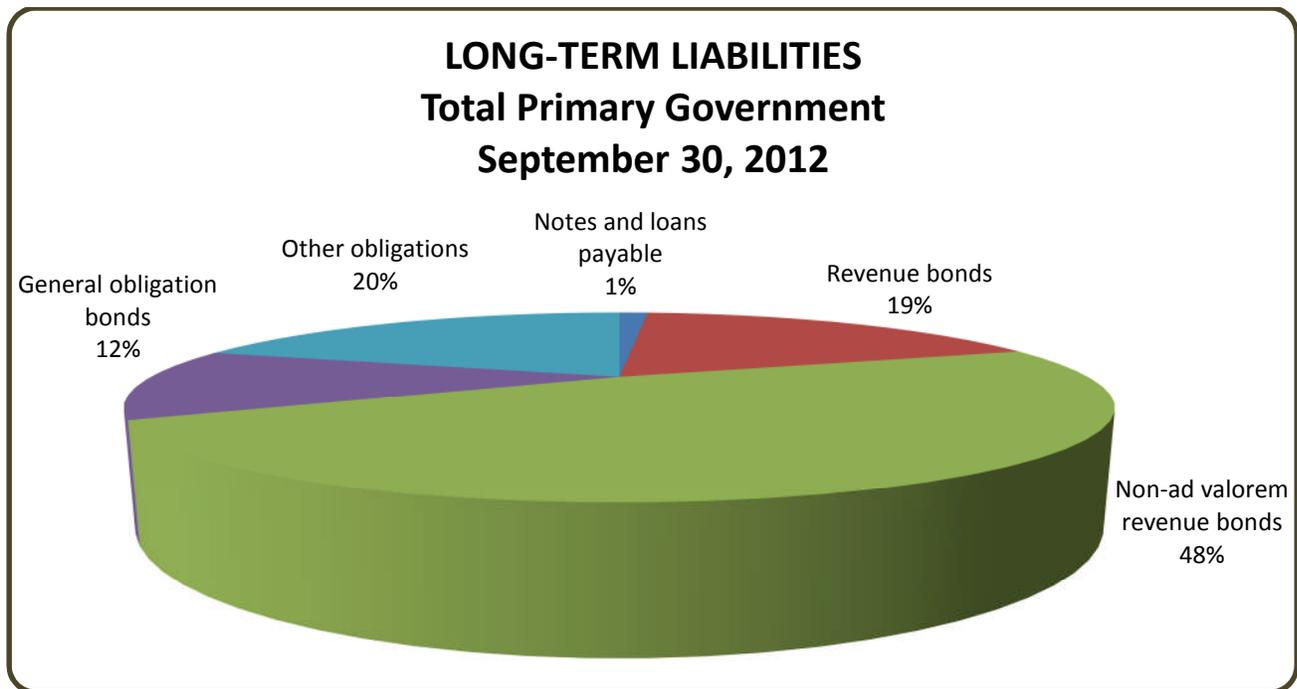
Palm Beach County, Florida							
Long-Term Liabilities at Year-End (in millions)							
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT		
	2012	2011	2012	2011	2012	2011	
General obligation bonds	\$ 210	\$ 229	\$ -	\$ -	\$ 210	\$ 229	
Non-ad valorem revenue bonds	824	871	-	-	824	871	
Revenue bonds	-	-	315	334	315	334	
Notes and loans payable	22	36	-	-	22	36	
Other obligations	338	302	5	6	343	308	
TOTALS	\$ 1,394	\$ 1,438	\$ 320	\$ 340	\$ 1,714	\$ 1,778	

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, 2012, the County's non-ad valorem revenues were 3.60 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



See Note 13, *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 1,325,758 in 2011 to 1,335,415 in 2012, an increase of 9,657 people or .73%.
- The civilian labor force for Palm Beach County increased from 621,616 at September 30, 2011 to 622,775 at September 30, 2012. The County's unemployment rate decreased from 10.9% at September 30, 2011 to 9.2% at September 30, 2012.
- Gross property taxes levied for fiscal year 2012 decreased from \$873.7 million in 2011 to \$855.0 million for 2012, a decrease of \$18.7 million or 2.1%.
- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 13.6% of the total ad valorem property taxes levied.
- Residential building permits issued in Palm Beach County for both single family and multi-family units rose from 2,299 in 2011 to 4,180 in 2012, an increase of 82%.
- Palm Beach County closed sales for single-family homes increased from 12,441 in 2011 to 13,668 in 2012, an increase of 9.9%. The median sales price for a single-family home in Palm Beach County rose from \$193,000 in 2011 to \$212,000 in 2012, an increase of 9.8%.
- Foreclosure filings in Palm Beach County rose from 12,154 in 2011 to 15,419 in 2012, an increase of 27%.

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





PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
September 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 821,768,430	\$ 235,521,499	\$ 1,057,289,929
Interest receivable	252,034	688,000	940,034
Accounts receivable - net	21,915,467	20,680,460	42,595,927
Internal Balances	(6,635,330)	6,635,330	-
Due from primary government	-	-	-
Due from other governments	51,341,698	4,814,332	56,156,030
Due from component units	421,225	-	421,225
Inventory	13,757,125	8,194,564	21,951,689
Other assets	6,145,905	1,332,570	7,478,475
Other receivable - noncurrent	20,979,356	16,400,546	37,379,902
Investment in joint ventures	-	49,123,038	49,123,038
Deferred debt issuance costs	6,741,093	2,864,632	9,605,725
Noncurrent restricted cash, cash equivalents and investments	450,833,337	73,017,504	523,850,841
Capital assets			
Non-depreciable capital assets	1,299,955,387	156,201,789	1,456,157,176
Depreciable capital assets, net	1,228,463,338	1,103,339,251	2,331,802,589
Total assets	3,915,939,065	1,678,813,515	5,594,752,580
LIABILITIES			
Vouchers payable and accruals	75,483,753	13,586,155	89,069,908
Due to primary government	-	-	-
Due to other governments	14,873,301	1,457,658	16,330,959
Due to component units	11,726,938	209	11,727,147
Due to individuals	1,088,507	6,269,545	7,358,052
Accrued interest payable	16,082,901	7,848,729	23,931,630
Unearned revenue	13,271,508	155,889	13,427,397
Other current liabilities	10,187,446	-	10,187,446
Long-term liabilities			
Long-term liabilities due within one year	115,439,305	17,860,750	133,300,055
Long-term liabilities due more than one year	1,278,718,773	301,886,903	1,580,605,676
Total liabilities	1,536,872,432	349,065,838	1,885,938,270
NET ASSETS			
Invested in capital assets, net of related debt	1,546,566,514	962,437,487	2,509,004,001
Restricted for:			
Debt service	18,040,048	19,695,155	37,735,203
Capital projects	368,636,293	50,228,432	418,864,725
Library services	11,229,738	-	11,229,738
Fire rescue services	80,148,414	-	80,148,414
Tourist development programs	20,852,839	-	20,852,839
Grant programs	33,415,887	-	33,415,887
Environmental protection programs	11,804,435	-	11,804,435
Public safety and judicial programs	26,269,454	-	26,269,454
Other services and programs	37,537,345	10,811,241	48,348,586
Unrestricted	224,565,666	286,575,362	511,141,028
Total net assets	\$ 2,379,066,633	\$ 1,329,747,677	\$ 3,708,814,310

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	\$ 4,780,755	\$ 412,405	\$ 330,109,577
-	13,241	-	296,723
-	458,519	953,704	5,959,346
-	-	-	-
290,496	6,406,976	142,837	4,886,838
-	-	-	-
-	-	-	-
-	-	-	6,065,581
15,945	25,595	3,932,933	5,218,459
-	-	-	356,771
-	-	-	-
-	-	55,779	12,522,150
-	-	-	565,262,742
-	-	4,094,427	341,263,203
-	-	1,860,475	511,233,072
<u>306,541</u>	<u>11,685,086</u>	<u>11,452,560</u>	<u>1,783,174,462</u>
42,417	102,326	250,833	43,025,999
2,089	46,763	-	372,373
-	-	-	-
-	-	-	-
-	-	-	454,675
-	-	-	24,592,037
-	-	448,878	-
-	269,455	16,500	494,000
348	-	511,277	15,848,798
<u>173,500</u>	<u>-</u>	<u>2,495,138</u>	<u>1,192,796,836</u>
<u>218,354</u>	<u>418,544</u>	<u>3,722,626</u>	<u>1,277,584,718</u>
-	-	5,694,902	389,911,525
-	-	102,229	-
-	-	1,562,208	14,231,018
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	18,700,821
<u>88,187</u>	<u>11,266,542</u>	<u>370,595</u>	<u>82,746,380</u>
<u>\$ 88,187</u>	<u>\$ 11,266,542</u>	<u>\$ 7,729,934</u>	<u>\$ 505,589,744</u>

PALM BEACH COUNTY, FLORIDA
Statement of Activities
For the fiscal year ended September 30, 2012

	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	\$ 331,862,438	\$ (17,196,192)	\$ 111,559,056	\$ 39,122,385	\$ 5,692,359
Public Safety	754,170,349	5,728,906	117,831,187	12,742,164	271,653
Physical Environment	29,206,388	-	8,298,140	5,438,522	2,707,629
Transportation	168,483,843	-	27,167,174	54,054,263	9,648,757
Economic Environment	114,700,112	125,639	3,354,941	72,138,310	-
Human Services	97,081,536	745,830	3,547,332	38,582,333	-
Culture and Recreation	104,939,360	2,843,851	19,313,804	1,422,527	1,814,960
Interest Expense	48,095,197	-	-	-	-
Total Governmental Activities	1,648,539,223	(7,751,966)	291,071,634	223,500,504	20,135,358
Business Activities					
Department of Airports	72,543,969	1,294,580	77,400,041	-	7,943,252
Water Utilities Department	142,964,452	6,345,867	157,177,871	-	22,260,813
Total Business Activities	215,508,421	7,640,447	234,577,912	-	30,204,065
Total Primary Government	\$ 1,864,047,644	\$ (111,519)	\$ 525,649,546	\$ 223,500,504	\$ 50,339,423
COMPONENT UNITS					
Metropolitan Planning Organization	\$ 1,462,222	\$ 111,519	\$ -	\$ 1,857,463	\$ -
Housing Finance Authority	480,569	-	501,821	321,560	-
Westgate/Belvedere CRA	1,623,641	-	1,946,362	-	-
Solid Waste Authority	223,695,867	-	255,122,184	2,188,706	741,386
Total Component Units	\$ 227,262,299	\$ 111,519	\$ 257,570,367	\$ 4,367,729	\$ 741,386
General Revenues Taxes - levied by the County Ad-valorem taxes Utility service taxes Local option gas taxes Tourist development taxes State shared sales tax-unrestricted Franchise gross receipts fee State shared revenues-unrestricted Investment income Other general revenues Transfers - net Special item <hr/> Total general revenues, transfers and special item <hr/> Increase in net assets <hr/> Beginning net assets (deficit) <hr/> Ending net assets <hr/>					

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	
\$ (158,292,446)	\$ -	\$ (158,292,446)	\$ -	\$ -	\$ -	\$ -
(629,054,251)	-	(629,054,251)	-	-	-	-
(12,762,097)	-	(12,762,097)	-	-	-	-
(77,613,649)	-	(77,613,649)	-	-	-	-
(39,332,500)	-	(39,332,500)	-	-	-	-
(55,697,701)	-	(55,697,701)	-	-	-	-
(85,231,920)	-	(85,231,920)	-	-	-	-
(48,095,197)	-	(48,095,197)	-	-	-	-
<u>(1,106,079,761)</u>	<u>-</u>	<u>(1,106,079,761)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	11,504,744	11,504,744	-	-	-	-
-	30,128,365	30,128,365	-	-	-	-
-	41,633,109	41,633,109	-	-	-	-
<u>\$ (1,106,079,761)</u>	<u>\$ 41,633,109</u>	<u>\$ (1,064,446,652)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 283,722	\$ -	\$ -	\$ -
-	-	-	-	342,812	-	-
-	-	-	-	-	322,721	-
-	-	-	-	-	-	34,356,409
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,722</u>	<u>\$ 342,812</u>	<u>\$ 322,721</u>	<u>\$ 34,356,409</u>
\$ 824,015,386	\$ -	\$ 824,015,386	\$ -	\$ -	\$ 1,170,137	\$ -
33,553,838	-	33,553,838	-	-	-	-
45,637,158	-	45,637,158	-	-	-	-
28,821,660	-	28,821,660	-	-	-	-
70,206,178	-	70,206,178	-	-	-	-
34,955,780	-	34,955,780	-	-	-	-
55,026,652	-	55,026,652	-	-	-	-
40,425,709	7,041,371	47,467,080	2,212	-	575	-
3,138,225	-	3,138,225	-	-	66,836	-
(2,831,473)	2,831,473	-	-	-	-	-
-	(3,572,024)	(3,572,024)	-	-	-	-
<u>1,132,949,113</u>	<u>6,300,820</u>	<u>1,139,249,933</u>	<u>2,212</u>	<u>-</u>	<u>1,237,548</u>	<u>-</u>
26,869,352	47,933,929	74,803,281	285,934	342,812	1,560,269	34,356,409
<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>
<u>\$ 2,379,066,633</u>	<u>\$ 1,329,747,677</u>	<u>\$ 3,708,814,310</u>	<u>\$ 88,187</u>	<u>\$ 11,266,542</u>	<u>\$ 7,729,934</u>	<u>\$ 505,589,744</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, 2012

	MAJOR FUNDS		
	General Fund	Fire Rescue Special Revenue Fund	Community & Social Development Special Revenue Fund
ASSETS			
Cash, cash equivalents, and investments	\$ 269,698,612	\$ 121,063,071	\$ 2,500
Accounts receivable, net	10,699,960	1,367,468	1,222,420
Due from other county funds	32,586,991	3,512,424	6,141,022
Due from other governments	11,024,492	2,857,871	18,951,527
Due from component unit	418,217	-	-
Inventory	5,634,149	2,648,263	-
Other assets	258,341	75	-
Other receivable, noncurrent	6,000,000	-	11,769,356
Total assets	\$ 336,320,762	\$ 131,449,172	\$ 38,086,825
LIABILITIES			
Vouchers payable and accrued liabilities	\$ 35,924,950	\$ 9,544,300	\$ 7,208,744
Due to other county funds	27,879,680	153,927	10,968,723
Due to other governments	11,822,672	542,717	1,537,404
Due to component unit	11,573,352	-	20,301
Due to individuals	387,636	-	551,933
Insurance claims payable	1,834,775	-	-
Deferred and unearned revenue	19,170,924	-	24,542,617
Other liabilities	10,176,751	-	-
Total liabilities	118,770,740	10,240,944	44,829,722
FUND BALANCE			
Non-Spendable			
Inventory	5,634,149	2,648,263	-
Prepaid items	128,461	-	-
Spendable			
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Library services	-	-	-
Fire rescue services	-	118,559,965	-
Tourist development programs	-	-	-
Grant programs	-	-	848,534
Environmental protection programs	-	-	-
Public safety and judicial programs	17,648,934	-	-
Other services and programs	-	-	1,028,565
Assigned to:			
Debt service	-	-	-
Capital projects	-	-	-
Tourist development programs	-	-	-
Public safety and judicial programs	437,425	-	-
Other services and programs	-	-	-
Unassigned	193,701,053	-	(8,619,996)
Total fund balance	217,550,022	121,208,228	(6,742,897)
Total liabilities and fund balance	\$ 336,320,762	\$ 131,449,172	\$ 38,086,825

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
\$ 364,187,523	\$ 111,156,653	\$ 314,000,066	\$ 1,180,108,425
4,657	220	6,673,416	19,968,141
-	2,877,050	15,605,346	60,722,833
5,181,393	279,875	12,863,006	51,158,164
-	-	-	418,217
-	-	3,937,902	12,220,314
-	-	620,186	878,602
-	-	3,210,000	20,979,356
<u>\$ 369,373,573</u>	<u>\$ 114,313,798</u>	<u>\$ 356,909,922</u>	<u>\$ 1,346,454,052</u>

\$ 5,386,903	\$ 1,200,505	\$ 12,097,017	\$ 71,362,419
29,897	816	11,287,295	50,320,338
2,459	-	832,495	14,737,747
-	-	133,285	11,726,938
-	-	148,938	1,088,507
-	-	-	1,834,775
3,248,869	62,400	17,052,970	64,077,780
-	-	10,695	10,187,446
<u>8,668,128</u>	<u>1,263,721</u>	<u>41,562,695</u>	<u>225,335,950</u>

-	-	3,937,902	12,220,314
-	-	13,636	142,097
-	-	27,010,123	27,010,123
271,512,339	34,407,308	138,643,587	444,563,234
-	-	13,520,596	13,520,596
-	-	-	118,559,965
-	-	20,852,839	20,852,839
-	-	31,717,059	32,565,593
-	-	11,769,002	11,769,002
-	-	12,770,231	30,419,165
-	-	25,862,402	26,890,967
-	-	247,103	247,103
89,193,106	78,642,769	19,437,366	187,273,241
-	-	4,163,570	4,163,570
-	-	-	437,425
-	-	7,792,917	7,792,917
-	-	(2,391,106)	182,689,951
<u>360,705,445</u>	<u>113,050,077</u>	<u>315,347,227</u>	<u>1,121,118,102</u>
<u>\$ 369,373,573</u>	<u>\$ 114,313,798</u>	<u>\$ 356,909,922</u>	<u>\$ 1,346,454,052</u>

PALM BEACH COUNTY, FLORIDA
 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets - Governmental Activities
 September 30, 2012

Fund balance for total of governmental funds (page 9)

Amounts reported for governmental activities in the statements of net assets are different because: \$ 1,121,118,102

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	\$ 51,027,644	
Less amount due to business-type activities for 'look-back' allocation	<u>(4,609,516)</u>	46,418,128

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	(207,340,000)	
Non-ad valorem bonds payable	(793,276,168)	
Notes and loans payable	(22,574,341)	
Compensated absences	(128,964,111)	
Net OPEB Obligation	(93,610,375)	
Claims and judgments	(33,584,143)	
Unamortized premium	(52,897,403)	
Arbitrage accrued	(7,237,320)	
Net Pension Obligation	(15,366,045)	
Termination benefits	(910,259)	
Deferred loss on refundings	<u>19,783,268</u>	(1,335,976,897)

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	1,299,955,387	
Depreciable capital assets, net of accumulated depreciation	<u>1,204,938,088</u>	2,504,893,475

Report other adjustments to convert from modified accrual to full accrual

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. 1,149,361

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. 6,741,093

Accrued Interest Payable

Accrued Interest Payable that is not due and payable in the current period is not reported in the governmental fund statements. (16,082,901)

Deferred Revenue

Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements. 50,806,272

42,613,825

Net assets of governmental activities (page 2)

\$ 2,379,066,633



PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended September 30, 2012

	MAJOR FUNDS		
	General Fund	Fire Rescue Special Revenue Fund	Community & Social Development Special Revenue Fund
Revenues:			
Taxes (net of discount)	\$ 634,630,927	\$ 184,661,800	\$ -
Special assessments	-	271,653	-
Licenses and permits	33,026,711	13,020	-
Intergovernmental	133,339,563	808,734	93,815,427
Charges for services	192,803,535	32,855,370	591,798
Less - excess fees paid out	(39,445,243)	-	-
Fines and forfeitures	2,782,990	-	-
Investment income	10,432,112	5,076,424	642,766
Miscellaneous	7,626,768	330,941	1,533,601
Total revenues	975,197,363	224,017,942	96,583,592
Expenditures:			
Current:			
General government	240,793,857	-	-
Public safety	444,089,674	227,459,000	1,976,029
Physical environment	11,066,404	-	-
Transportation	4,235,000	-	68,088
Economic environment	23,058,293	491,098	63,496,336
Human services	47,617,113	-	48,595,612
Culture and recreation	48,206,402	-	-
Capital outlay	25,289,807	1,398,513	541,754
Debt service	-	-	513,385
Total expenditures	844,356,550	229,348,611	115,191,204
Excess of revenues over (under) expenditures	130,840,813	(5,330,669)	(18,607,612)
Other financing sources (uses):			
Transfers in	29,966,825	6,457,119	12,932,295
Transfers out	(143,795,916)	(243,767)	(2,195,492)
Issuance of long-term debt	-	-	3,561,000
Issuance of refunding debt	-	-	-
Premium on refunding debt	-	-	-
Payment to escrow agent for refunding	-	-	-
Total other financing sources (uses)	(113,829,091)	6,213,352	14,297,803
Net change in fund balances	17,011,722	882,683	(4,309,809)
Fund balances, October 1, 2011	200,780,168	120,196,849	(2,433,088)
Increase (decrease) in nonspendable fund balance	(241,868)	128,696	-
Fund balances, September 30, 2012	\$ 217,550,022	\$ 121,208,228	\$ (6,742,897)

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
\$ 9,363,976	\$ 800	\$ 130,139,069	\$ 958,796,572
12,854,648	680,975	18,475,072	32,282,348
-	-	17,421,296	50,461,027
18,994,483	2,983,554	73,695,733	323,637,494
225	834,573	31,965,888	259,051,389
-	-	-	(39,445,243)
-	-	4,432,219	7,215,209
9,365,609	3,043,436	9,530,310	38,090,657
4,391,486	581,505	10,027,706	24,492,007
<u>54,970,427</u>	<u>8,124,843</u>	<u>295,687,293</u>	<u>1,654,581,460</u>
1,354,261	23,866,803	8,340,764	274,355,685
-	-	21,608,458	695,133,161
-	505,431	16,324,650	27,896,485
4,801,643	3,695,811	112,392,216	125,192,758
-	194,796	27,497,145	114,737,668
-	106,855	454,720	96,774,300
-	-	42,514,975	90,721,377
44,394,105	5,525,628	64,898,753	142,048,560
-	-	132,128,044	132,641,429
<u>50,550,009</u>	<u>33,895,324</u>	<u>426,159,725</u>	<u>1,699,501,423</u>
<u>4,420,418</u>	<u>(25,770,481)</u>	<u>(130,472,432)</u>	<u>(44,919,963)</u>
814,000	17,137,369	144,064,645	211,372,253
(1,029,000)	(1,814,897)	(47,555,927)	(196,634,999)
-	-	-	3,561,000
-	-	163,189,340	163,189,340
-	-	28,470,407	28,470,407
-	-	(191,000,713)	(191,000,713)
<u>(215,000)</u>	<u>15,322,472</u>	<u>97,167,752</u>	<u>18,957,288</u>
4,205,418	(10,448,009)	(33,304,680)	(25,962,675)
356,500,027	123,498,086	349,033,646	1,147,575,688
-	-	(381,739)	(494,911)
<u>\$ 360,705,445</u>	<u>\$ 113,050,077</u>	<u>\$ 315,347,227</u>	<u>\$ 1,121,118,102</u>

PALM BEACH COUNTY, FLORIDA
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities - Governmental Activities
 For the fiscal year ended September 30, 2012

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: \$ (25,962,675)

Report internal service funds as governmental activities

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

Net income (loss) per fund statements	\$ (24,861,197)	
Plus current year allocation of internal service funds to business-type activities	(653,838)	
		(25,515,035)

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	(166,750,340)	
--	---------------	--

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	(28,470,407)	
Current year amortization & retirement of premium / discount	11,087,345	

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	12,104,850	
Current year amortization & retirement of deferred refunding gain / loss	(1,934,413)	

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.

254,319,989

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	1,419,222	
(Increase) Decrease in Net OPEB Obligation	(23,318,029)	
(Increase) Decrease in estimated self-insurance obligation	(2,000,535)	
(Increase) Decrease in termination benefits	1,893,264	
(Increase) Decrease in Net Pension Obligation	(7,310,672)	
(Increase) Decrease in compensated absences liability	(5,264,105)	
		45,776,169

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, 2012

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.	144,338,142	
Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue.		4,301,789
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.	(111,175,642)	
Retirement of capital assets		
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance.	(4,321,120)	
		33,143,169

Report other adjustments for converting from modified accrual to full accrual

Net Increase (Decrease) in deferred issue costs:		
Current year debt issue costs deferred	645,637	
Current year amortization & retirement of deferred issue costs	(2,505,204)	
		(1,859,567)
Increase (Decrease) in inventory		(494,911)
Increase (Decrease) in accrued interest receivable		(262,498)
Increase (Decrease) in Net OPEB Obligation Asset		475,095
(Increase) Decrease in accrued interest payable		440,515
(Increase) Decrease in deferred revenue		1,129,090
		(572,276)

Increase (decrease) in net assets of governmental activities (page 5)	\$ 26,869,352
--	---------------

PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2012

	Business-type Activities -	
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 48,708,981	\$ 155,143,161
Cash and cash equivalents - restricted	186,145	17,266,327
Cash with fiscal agent - restricted	14,216,885	-
Interest receivable - restricted	-	688,000
Accounts receivable, net	2,479,007	15,496,560
Due from other county funds	347,605	2,447,874
Due from other governments	3,174,478	1,639,854
Due from component unit	-	-
Inventory	1,244,288	6,950,276
Current portion of other receivables	134,600	830,327
Other assets	1,046,708	285,862
Total current assets	71,538,697	200,748,241
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	63,015,304	10,002,200
Accounts receivable, net	1,739,966	-
Total noncurrent restricted assets	64,755,270	10,002,200
Capital assets:		
Land	100,016,274	14,886,536
Buildings	354,852,863	100,899,151
Improvements other than buildings	222,957,115	1,184,553,650
Furniture, fixtures and equipment	41,463,078	69,942,922
Leasehold interest	-	12,411,525
Goodwill	-	6,915,903
Intangible - easement rights	13,754,957	1,660,856
Accumulated depreciation and amortization	(376,840,754)	(527,571,159)
Construction in progress	24,238,160	15,399,963
Total capital assets	380,441,693	879,099,347
Investment in joint ventures	-	49,123,038
Other receivables, noncurrent	216,762	16,183,784
Deferred debt issuance costs	1,322,896	1,541,736
Total noncurrent assets	446,736,621	955,950,105
Total assets	\$ 518,275,318	\$ 1,156,698,346

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	
\$ 203,852,142	\$ 92,493,342
17,452,472	-
14,216,885	-
688,000	-
17,975,567	2,199,360
2,795,479	4,354,336
4,814,332	183,534
-	3,008
8,194,564	1,536,811
964,927	-
1,332,570	4,117,942
<u>272,286,938</u>	<u>104,888,333</u>
73,017,504	-
1,739,966	-
<u>74,757,470</u>	<u>-</u>
114,902,810	-
455,752,014	206,558
1,407,510,765	512,286
111,406,000	74,835,035
12,411,525	-
6,915,903	-
15,415,813	-
(904,411,913)	(52,028,629)
39,638,123	-
<u>1,259,541,040</u>	<u>23,525,250</u>
49,123,038	-
16,400,546	-
2,864,632	-
<u>1,402,686,726</u>	<u>23,525,250</u>
<u>\$ 1,674,973,664</u>	<u>\$ 128,413,583</u>

PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2012

	Business-type Activities -	
	Airports	Water Utilities
LIABILITIES		
Current liabilities payable from current assets:		
Vouchers payable and accrued liabilities	\$ 6,737,673	\$ 6,166,267
Due to other county funds	241,888	527,777
Due to other governments	186,018	1,271,640
Due to component unit	209	-
Unearned revenue	155,889	-
Current portion of long-term debt	45,292	83,325
Compensated absences	53,133	219,000
Insurance claims payable	-	-
Other liabilities	557,534	33,598
Total current liabilities payable from current assets	7,977,636	8,301,607
Current liabilities payable from restricted assets:		
Customers' deposits	163,900	6,105,645
Accounts and contracts payable	26,970	64,113
Current portion of long-term debt	10,995,000	6,465,000
Interest payable on bonds	3,217,160	4,631,569
Total current liabilities payable from restricted assets	14,403,030	17,266,327
Total current liabilities	22,380,666	25,567,934
Noncurrent liabilities:		
Due to other governments	-	164,260
Compensated absences	1,029,773	2,795,837
Revenue bonds payable, net	110,503,204	187,207,183
Insurance claims payable and other long-term liabilities	76,646	110,000
Total noncurrent liabilities	111,609,623	190,277,280
Total liabilities	133,990,289	215,845,214
NET ASSETS		
Invested in capital assets, net of related debt	258,943,490	703,493,997
Restricted for:		
Debt service	13,230,155	6,465,000
Capital projects	49,228,432	1,000,000
Grants and other	10,311,241	500,000
Unrestricted	52,571,711	229,394,135
Total net assets	\$ 384,285,029	\$ 940,853,132

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	
\$ 12,903,940	\$ 4,121,334
769,665	16,782,645
1,457,658	135,554
209	-
155,889	-
128,617	34,949
272,133	-
-	13,175,063
591,132	-
<u>16,279,243</u>	<u>34,249,545</u>
6,269,545	-
91,083	-
17,460,000	-
7,848,729	-
<u>31,669,357</u>	<u>-</u>
<u>47,948,600</u>	<u>34,249,545</u>
164,260	-
3,825,610	-
297,710,387	-
186,646	43,136,394
<u>301,886,903</u>	<u>43,136,394</u>
<u>349,835,503</u>	<u>77,385,939</u>
962,437,487	23,525,250
19,695,155	-
50,228,432	-
10,811,241	-
281,965,846	27,502,394
1,325,138,161	<u>\$ 51,027,644</u>
4,609,516	
<u>\$ 1,329,747,677</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended September 30, 2012

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Operating revenues:		
Charges for services	\$ 62,675,551	\$ 148,390,799
Miscellaneous	2,802,345	5,379,318
Total operating revenues	65,477,896	153,770,117
Operating expenses:		
Aviation services	40,532,190	-
Water and sewer services	-	100,547,618
Transportation services	-	-
Self-insurance services	-	-
Equity interest in net loss of joint ventures	-	1,007,748
Depreciation and amortization	26,933,358	39,716,768
Total operating expenses	67,465,548	141,272,134
Operating income (loss)	(1,987,652)	12,497,983
Nonoperating revenues (expenses):		
Investment income	1,643,687	5,397,684
Guaranteed revenue	-	4,010,517
Passenger facility charges	11,514,479	-
Deferred issue costs	(53,218)	(120,421)
Interest expense	(6,434,318)	(8,457,067)
Other revenues (expenses)	407,666	3,407,754
Total nonoperating revenues (expenses)	7,078,296	4,238,467
Income (loss) before capital contributions, special item, and transfers	5,090,644	16,736,450
Capital contributions	7,943,252	18,250,296
Special item - contribution of cash and capital assets to Glades Utility Authority	-	(3,572,024)
Transfers in	347,933	2,621,173
Transfers out	(37,633)	(100,000)
Change in net assets	13,344,196	33,935,895
Net assets, October 1, 2011	370,940,833	906,917,237
Net assets, September 30, 2012	\$ 384,285,029	\$ 940,853,132

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>	
\$ 211,066,350	\$ 110,369,219
8,181,663	-
<u>219,248,013</u>	<u>110,369,219</u>
40,532,190	-
100,547,618	-
-	23,922,956
-	91,156,572
1,007,748	-
<u>66,650,126</u>	<u>8,371,052</u>
<u>208,737,682</u>	<u>123,450,580</u>
<u>10,510,331</u>	<u>(13,081,361)</u>
7,041,371	2,335,050
4,010,517	-
11,514,479	-
(173,639)	-
(14,891,385)	-
<u>3,815,420</u>	<u>3,438,056</u>
<u>11,316,763</u>	<u>5,773,106</u>
21,827,094	(7,308,255)
26,193,548	15,785
(3,572,024)	-
2,969,106	610,000
<u>(137,633)</u>	<u>(18,178,727)</u>
47,280,091	(24,861,197)
	<u>75,888,841</u>
	<u>\$ 51,027,644</u>
653,838	
<u>\$ 47,933,929</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2012

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Cash flows from operating activities:		
Cash received from customers	\$ 63,905,800	\$ 145,951,348
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(13,801,188)	(50,448,988)
Cash payments to employees for services	(10,378,557)	(29,130,003)
Cash payments to other funds	(16,305,454)	(20,470,076)
Claims paid	-	-
Other receipts	29,876	6,474,520
Net cash provided by operating activities	23,450,477	52,376,801
Cash flows from noncapital financing activities:		
Cash contributed to other governments	-	(3,914,110)
Operating grants	360,760	-
Transfers in	347,933	188,384
Transfers out	(37,633)	(100,000)
Net cash (used in) noncapital financing activities	671,060	(3,825,726)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	19,124	230,802
Contributed capital	7,231,642	17,458,046
Purchase and construction of capital assets	(23,737,103)	(21,983,370)
Payments to joint ventures	-	(1,746,238)
Principal payments on debt	(10,270,000)	(8,043,000)
Interest payments on debt	(6,729,580)	(9,447,614)
Paying agent fees	-	(4,183)
Passenger facility charges received	10,394,081	-
Net cash (used in) capital and related financing activities	(23,091,836)	(23,535,557)
Cash flows from investing activities:		
Interest on investments	1,643,687	5,388,184
Receipt of repayments on other receivables	127,181	-
Net cash provided by investing activities	1,770,868	5,388,184
Net increase (decrease) in cash and cash equivalents	2,800,569	30,403,702
Cash and cash equivalents, October 1, 2011	123,326,746	152,007,986
Cash and cash equivalents, September 30, 2012	\$ 126,127,315	\$ 182,411,688

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

<u>Enterprise Funds</u>	Governmental Activities Internal Service Funds
Totals	
\$ 209,857,148	\$ 12,690,168
-	97,312,825
(64,250,176)	(29,409,946)
(39,508,560)	(6,783,150)
(36,775,530)	(2,488,251)
-	(74,559,729)
6,504,396	2,397,543
<u>75,827,278</u>	<u>(840,540)</u>
(3,914,110)	-
360,760	-
536,317	610,000
<u>(137,633)</u>	<u>(1,499,411)</u>
<u>(3,154,666)</u>	<u>(889,411)</u>
249,926	1,252,093
24,689,688	-
(45,720,473)	(4,368,527)
(1,746,238)	-
(18,313,000)	-
(16,177,194)	-
(4,183)	-
10,394,081	-
<u>(46,627,393)</u>	<u>(3,116,434)</u>
7,031,871	2,335,050
127,181	-
<u>7,159,052</u>	<u>2,335,050</u>
33,204,271	(2,511,335)
<u>275,334,732</u>	<u>95,004,677</u>
<u>\$ 308,539,003</u>	<u>\$ 92,493,342</u>

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2012

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (1,987,652)	\$ 12,497,983
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and amortization	26,933,358	39,716,768
Equity interest in net loss of joint ventures	-	1,007,748
Provision for doubtful accounts	-	283,500
Miscellaneous revenue	29,876	-
Change in assets and liabilities:		
(Increase) in accounts receivable	(973,661)	(1,361,961)
(Increase) decrease in due from other county funds	(344,339)	23,054
(Increase) decrease in due from other governments	-	(1,072,956)
(Increase) decrease in inventory	(62,268)	(197,781)
(Increase) decrease in other assets	16,243	(25,475)
Decrease in due from component unit	-	-
Increase in vouchers payable and accrued liabilities	175,985	1,201,089
Increase in due to other county funds	29,528	53,190
Increase (decrease) in due to other governments		(40,475)
(Decrease) in other current liabilities	(112,497)	-
(Decrease) in due to individuals		-
(Decrease) in unearned revenue	(250,078)	-
(Decrease) in current portion of long-term debt		-
Increase (decrease) in customer deposits	(4,018)	292,117
Increase in insurance claims payable	-	-
Increase in other long-term liabilities	-	-
Net cash provided by (used in) operating activities	\$ 23,450,477	\$ 52,376,801
Supplemental disclosure of noncash capital and related financing activities:		
<u>Amortization of deferred debt issuance costs</u>	<u>\$ 120,325</u>	<u>\$ 120,421</u>
<u>Amortization of premium on bonds</u>	<u>\$ 225,794</u>	<u>\$ 399,741</u>
<u>Amortization of deferred advance refunding loss</u>	<u>\$ 158,688</u>	<u>\$ 77,708</u>
<u>Payables related to capital asset acquisition</u>	<u>\$ 2,528,515</u>	<u>\$ 2,495,890</u>
<u>Contribution of capital assets</u>	<u>\$ -</u>	<u>\$ 7,435,785</u>
<u>Capitalized interest</u>	<u>\$ -</u>	<u>\$ 516,534</u>
<u>Disposal of fully depreciated capital assets</u>	<u>\$ 1,644,053</u>	<u>\$ 1,648,758</u>

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

<u>Enterprise Funds</u>	Governmental Activities Internal Service Funds
Totals	
\$ 10,510,331	\$ (13,081,361)
66,650,126	8,371,052
1,007,748	-
283,500	-
29,876	2,397,543
(2,335,622)	(79,135)
(321,285)	(493,598)
(1,072,956)	206,167
(260,049)	192,898
(9,232)	243,851
-	339
1,377,074	136,344
82,718	1,139
(40,475)	135,503
(112,497)	-
-	(103,028)
(250,078)	-
-	(38,230)
288,099	-
-	437,140
-	832,836
<u>\$ 75,827,278</u>	<u>\$ (840,540)</u>
<u>\$ 240,746</u>	<u>\$ -</u>
<u>\$ 625,535</u>	<u>\$ -</u>
<u>\$ 236,396</u>	<u>\$ -</u>
<u>\$ 5,024,405</u>	<u>\$ -</u>
<u>\$ 7,435,785</u>	<u>\$ 19,386</u>
<u>\$ 516,534</u>	<u>\$ -</u>
<u>\$ 3,292,811</u>	<u>\$ 3,354,812</u>

PALM BEACH COUNTY, FLORIDA
Statement of Fiduciary Net Assets - Agency Funds
September 30, 2012

	Total Agency Funds
ASSETS	
Cash, cash equivalents, and investments	\$123,338,549
Accounts receivable, net	825,264
Due from other governments	1,457,523
Other assets	315
	\$125,621,651
LIABILITIES	
Vouchers payable and accrued liabilities	\$ 3,595,971
Due to other governments	40,035,833
Due to individuals	81,253,551
Other liabilities	736,296
	\$125,621,651

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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, 2012

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 either (a) the organization's governing body is substantially the same as the governing body of the County and (1) there is a financial benefit or burden relationship between the primary government and component unit or (2) management of the primary government has operational responsibility, (b) the organization provides services almost entirely to the primary government and (c) the component unit's total debt outstanding is expected to be repaid entirely or almost entirely with resources of 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

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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.

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 do not qualify to be reported as blended component units because (a) the governing body is not substantially the same as the primary government and (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) and (2) Management is *not* responsible for the day-to-day operations of the component unit. (i.e. operational responsibility), (b) the component unit does not provide services entirely or almost entirely to the primary government, and (c) 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 HFA 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. The governing board of HFA is appointed by the Board of County Commissioners.

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. The Board of Directors of the CRA consists of seven members appointed by the Board of County Commissioners.

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,

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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.

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

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Beach County, but the County does not provide funding, has no obligation for the debt issued by the authority and cannot impose its will.

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

Palm Beach County Workforce Development Board, Inc. – This Board was created pursuant to Palm Beach County Resolution 96-805D, as amended by Resolutions 96-1539D and 97-510Dm as a result of the enactment by the Florida Legislature of the Workforce Florida Act of 1996. Members of the board are appointed by the Board of County Commissioners of Palm Beach County, but the County does not provide the funding, has no obligation for the debt issued by the board and cannot impose its will.

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, 2011, the Facility had total assets of \$99,858,345 and total net assets of \$90,465,911 including \$68,993,982 invested in capital, net of debt, and \$13,440,341 of unrestricted net assets. September 30, 2012 amounts are expected to approximate the above figures. As of September 30, 2012, the County's investment in this joint venture is \$24.8 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, 2012, Palm Beach County had a 34.29% interest. The participants and each entity's interest at September 30, 2012 are as follows:

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PARTICIPANT	RESERVE CAPACITY PERCENTAGES
City of West Palm Beach	29.29%
Palm Beach County	34.29%
City of Lake Worth	17.86%
City of Riviera Beach	11.42%
Town of Palm Beach	7.14%
TOTAL	100.00%

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

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

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 \$1,150,200 for the year ended September 30, 2012. During the fiscal year ended September 30, 2012, zero 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, 2012, the County’s investment in the BPF is \$7.9 million.

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

Non - Equity Joint Ventures

Glades Utility Authority

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

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

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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.

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

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it provides. The measurement focus is based upon determination of changes in financial resources. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The governmental fund category includes the general fund, special revenue funds, debt service funds, and capital project funds. There is a reconciliation of the governmental activities presented in the Statement of Net Assets and the Statement of Activities to the governmental funds presented in the fund financial statements.

The following 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 be 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.

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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.

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.

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C. Measurement Focus and Basis of Accounting

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

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

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

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

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

Cash Equivalents

Highly liquid investments with maturities of three months or less when purchased are reported as cash equivalents. The County maintains an internal investment pool for substantially all funds. Earnings are allocated daily to each fund based on their equity balances in the pool. Each fund reports their equity in the County's internal investment pool as a cash equivalent.

Investments

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

- Florida Prime Investment Pool
- Money Market Mutual Funds.

State statutes and local ordinances authorize County investments in obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements, interest-bearing time deposits, savings accounts, Florida Prime Investment Pool (formerly known as the Local Government Surplus funds Trust Fund LGIP administered by the State Board of Administration), the Florida Local Government Investment Trust (FLGIT), collateralized mortgage obligations (CMO), certain corporate securities, instruments backed by the full faith and credit of the State of Israel, bankers acceptances, and money market mutual funds.

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

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from Fund B, as determined by the SBA, are affected by transferring eligible cash or securities to the Florida Prime Investment Pool, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida Prime Investment Pool. The investments in the Florida Prime Investment Pool and Fund B are not insured by FDIC or any other governmental agency. Regulatory oversight of the State Board of Administration is provided by three elected officials who are accountable to the electorate: the Governor of the State of Florida, as Chairman; the Chief Financial Officer of Florida, as Treasurer; and the State Comptroller, as Secretary. External oversight of the State Board of Administration is provided by the Investment Advisory Council which reviews the investments made by the staff of the Board of Administration and makes recommendations to the Board regarding investment policy, strategy, and procedures. Audit oversight is provided by the Florida Auditor General's Office.

The *Florida Local Government Investment Trust* (FLGIT) is a local government investment pool developed jointly by the Florida Association of Court Clerks and the Florida Association of Counties. The FLGIT has no regulatory oversight, but has been recognized by an Internal Revenue Service private letter ruling as a tax-exempt organization, has 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 and Fire Rescue ambulatory services. The allowance for uncollectible receivables for Fire Rescue services is based on historic trends and analysis of current economic factors. As of September 30, 2012 there was an allowance of \$19.3M for these receivables.

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.

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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.

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.

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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.

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 4,500 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. Claims are recorded as incurred with an estimate added at year-end based on an actuarially determined estimate of incurred but not reported claims.

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.

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M. Pension and Other Post-Employment Benefits Disclosure

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

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

N. Elimination of Internal Activity

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

O. Program Revenues

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

P. Budgets

BOARD OF COUNTY COMMISSIONERS

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

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

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4. The Board at any time within a fiscal year may amend a budget for that year as follows:
 - a. Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by action recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board of County Commissioners, however, may establish procedures by which the designated budget officer may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - b. Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - c. A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund. During fiscal year 2012, supplemental appropriations amounted to a net increase of \$346,580,204, or approximately 8.8% of the original budget.

5. It is unlawful for the Board to expend or contract for the expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. In addition, to comply with the above statutory requirements, the Board of County Commissioners has elected to adopt management controls and approved guidelines, which provide for the budget to be controlled at a detail level greater than the statutory level of control. This control (effective legal level) is maintained at the fund/department 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 THE 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.

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2. The budget relating to the requirements of the Clerk as Clerk of the Board of County Commissioners, County Auditor, and Custodian or Treasurer of all county funds and other county related duties.

SHERIFF

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

TAX COLLECTOR AND PROPERTY APPRAISER

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

SUPERVISOR OF ELECTIONS

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

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

Q. Encumbrances

The County uses encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders are completed. Although encumbrances lapse at year-end, it is the County's intention to substantially honor these encumbrances under the authority provided in the subsequent year's budget. Refer to Note 7 for more information.

R. Operating versus Non-operating Revenues 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, as well as airport fees and charges. For the Internal Service funds,

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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.

Amounts that are restricted to specific purposes either by constraints (a) 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 in the form of a County Ordinance 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 the County Administrator or his designee. Palm Beach County is a Charter County and operates under a County Manager form of Government (as previously stated in Note 1, Section A, *Financial Reporting Entity*). As such, the County Administrator is responsible for preparing and managing the County's budget along with the establishment and classification of all its funds.

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.

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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.

Unrestricted net assets is that portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

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 \$607,934,453 of restricted net assets, of which \$183,180,756 is restricted by enabling legislation.

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, 2012.

For the 2010 tax roll year, the assessment roll was opened for collection on November 1, 2011, and discounts for payment prior to April 1, 2012, were determined as follows:

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4%	if paid in November 2011
3%	if paid in December 2011
2%	if paid in January 2012
1%	if paid in February 2012

V. Interest Costs

Interest cost incurred by proprietary funds for the fiscal year ended September 30, 2012 amounted to \$15,407,919, of which \$516,534 was capitalized.

2. CASH AND INVESTMENTS

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

At September 30, 2012 the cash and investments consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Value</u>	<u>Investments</u>
Deposits in Financial Institutions	\$ 399,601,957	\$ 380,369,365	\$ -
Cash on hand		373,526	-
Internal Investment Pool		1,257,127,565	1,245,657,204
Cash Equivalents		66,487,659	66,487,659
Fund Investments		121,204	121,204
Total		<u>\$ 1,704,479,319</u>	<u>\$ 1,312,266,067</u>

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

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

Statement of Net Assets		
Primary Government		
Cash, cash equivalents & investments	\$ 1,057,289,929	
Restricted cash, cash equivalents & investments	<u>523,850,841</u>	
Statement of Fiduciary Net Assets		\$ 1,581,140,770
Agency Funds		
Cash & cash equivalents	<u>\$ 123,338,549</u>	
		<u>123,338,549</u>
		<u>\$ 1,704,479,319</u>

Investment Type	Fair Value	Maturity in Years		
		Less Than 2 Years	2 Years but Less Than 5 Years	5 Years but Less Than 9 Years
Investments subject to interest rate risk				
Adjustable Rate Securities	\$ 334,911,638	\$ -	\$ 315,646,825	\$ 19,264,813
Collateralized Mortgage Obligations	275,619,231	19,621,666	234,994,373	21,003,192
Mortgage Backed Securities	260,776,489	1,689,793	223,043,066	36,043,630
Debenture Participation Certificates	196,279,332	-	20,435,245	175,844,087
Callable Bonds	81,973,704	-	-	81,973,704
Corporate Notes	37,791,985	20,044,240	-	17,747,745
Florida Local Govt Investment Trust	30,236,785	-	30,236,785	-
Indexed Amortization Notes	15,029,121	15,029,121	-	-
Foreign Government Bonds	12,935,840	12,935,840	-	-
Fund B Surplus Funds Trust Fund (SBA)	81,332	-	-	81,332
	<u>1,245,635,457</u>	<u>\$ 69,320,660</u>	<u>\$ 824,356,294</u>	<u>\$ 351,958,503</u>
Other Investments				
Money Market Mutual Funds	65,237,282			
Florida Prime Investment Pool (SBA)	<u>1,393,328</u>			
	<u>\$ 1,312,266,067</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.

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Credit Risk

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

Investments	Fair Value	Percentage of Total Portfolio	Standard & Poor's Investment Rating Service
U.S Government Sponsored Enterprises (GSE)	\$696,052,400	53.0%	AA+
U.S. Treasuries & Guaranteed Agencies	468,537,115	35.7%	AA+
Money Market Mutual Funds	65,237,282	5.0%	AAAm
Corporate Securities	37,791,985	2.9%	AA+
Florida Local Govt Investment Trust	30,236,785	2.3%	AAAf
Foreign Government Bonds	12,935,840	1.0%	A-1
Florida Prime Investment Pool (SBA)	1,393,328	0.1%	AAAm
Fund B Surplus Funds Trust Fund (SBA)	81,332	0.0%	Not rated
	<u>\$1,312,266,067</u>	<u>100.0%</u>	

Ratings by Moody's or Fitch were no lower than 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 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.

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

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)	\$ 432,473,102	32.9%
Small Business Administration	317,376,059	24.2%
Federal Home Loan Mortgage Company (Freddie Mac)	248,550,176	18.9%
Government National Mortgage Association (Ginnie Mae)	151,161,056	11.5%
Invesco AIM Institutional Money Market Fund	48,017,059	3.7%
Other combined- less than 2% per issuer	46,659,845	3.6%
General Electric	37,791,985	2.9%
Florida Local Government Investment Trust (FLGIT)	30,236,785	2.3%
	\$ 1,312,266,067	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 (SWA)

Cash and Cash Equivalents: The bank balance and carrying value of the SWA’s cash and cash equivalents, including restricted balances, were as follows at September 30, 2012:

Bank balance of deposits with financial institutions	<u>\$ 8,176,122</u>
Carrying value	
Deposits with financial institutions	\$ 8,139,541
Petty cash	9,150
Money market mutual funds	215,180,549
Florida Prime	<u>225,648,644</u>
Total cash and cash equivalents	<u>\$ 448,977,884</u>

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. Accordingly, all deposits with financial institutions are considered fully insured in accordance with pronouncements of the Governmental Accounting Standards Board.

The money market mutual funds consist of investments with financial institutions in open end, institutional, money market funds complying with Securities and Exchange Commission (SEC) Rule 2a7 and investing only in U.S. Government and Agency obligations and repurchase and reverse repurchase agreements collateralized by U.S. Government and Agency obligations. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount.

The investment in Florida Prime consists of equity in an external, “2a7-like” investment pool managed by the State of Florida that was available to be withdrawn by the SWA on an overnight basis. The fair value of the position in Florida Prime was considered to be the same as the SWA’s account balance (amortized cost) in the pool. The money market mutual funds and

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Florida Prime are classified as cash equivalents in the statements of net assets and statements of cash flows. Cash and cash equivalents at September 30, 2012 include \$1,210,000 pledged as collateral for a letter of credit issued for the SWA's workers compensation insurance program.

Investments: Florida Statutes and SWA policy authorize investments in Florida Prime and LGIP administered by the State; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under federal or Florida laws; obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank or its district banks; obligations guaranteed by the Government National Mortgage Association; obligations of the Federal National Mortgage Association; SEC registered money market funds with the highest credit quality rating; mutual funds limited to U.S. Government securities; interest rate swaps, interest rate exchange agreements, investment contracts, or contracts providing for payments based on levels of or changes in interest rates, or contracts to exchange cash flows, a series of payments, or to hedge payment rate, spread or similar exposure; and, repurchase agreements fully collateralized by SEC registered money market mutual funds with the highest credit quality ratings. The SWA's bond resolutions authorize the investment of bond proceeds in obligations of certain federal government agencies or obligations guaranteed by those agencies; obligations of the United States Government or obligations guaranteed by the United States Government; guaranteed investment contracts meeting certain restrictions; or certain certificates of deposit, repurchase agreements, and investments that are insured or collateralized and otherwise permitted by Florida law.

At September 30, 2012, the fair value of the SWA's investments, including unrestricted and restricted asset balances were as follows:

Cash equivalents	
Money market mutual funds	\$ 215,180,549
Florida Prime	<u>225,648,644</u>
	<u>\$ 440,829,193</u>
Investments	
Repurchase agreement	\$ 445,470,030
Investment in the Local Government	
Investment Pool (LGIP) Fund B	<u>924,405</u>
	<u>\$ 446,394,435</u>

Repurchase Agreement: In conjunction with the issuance of the \$599,860,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2011, the SWA entered into a master repurchase agreement (the "Agreement") with two multi-national financial institutions for an initial purchase price of \$598,511,702 with no additional purchases permitted. Eligible securities under the Agreement include cash and bonds or other obligations which, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by, the U.S. Government, including obligations of any Federal agency to the extent such obligations are unconditionally guaranteed by the U.S. Government. Repurchase dates and amounts are set forth in the Agreement with a final repurchase date of November 1, 2014.

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

The restructuring divided the LGIP into two separate pools, the LGIP and Fund B representing approximately 86% of the original LGIP assets. The LGIP was designated as the ongoing fund consisting of only short-term, money market assets of the highest quality and was subsequently re-named Florida Prime. Fund B retained all securities from the original LGIP that had defaulted, were in default or had extended payment terms or potentially elevated credit risk. Fund B is closed to deposits and withdrawals and is generally expected to hold all assets to their ultimate maturity and to distribute funds to participants as they become available. The Fund B investment is recorded at fair value based on the net asset value of the Fund B assets reported by the SBA. At September 30, 2012 the Fund B investments had a net asset value of \$924,405, approximating 95% of amortized cost.

The ultimate realizable value and the date when the LGIP Fund B investment will be available to the SWA cannot be determined at this time, however, it is the opinion of management based upon consultation with the SBA that the amount of loss, if any, and the limited availability of the funds will not adversely affect the services provided by the SWA. Additional information on the current status of the LGIP may be obtained from the State Board of Administration.

Custodial Credit Risk: Custodial credit risk is defined as the risk that the SWA may not recover the securities held by another party in the event of a financial failure. The SWA's investment policy for custodial credit risk requires all investment securities to be held in the SWA's name by a third party safekeeping institution. The SWA's investment in the repurchase agreement is categorized as Category 1 under GASB pronouncements, because the SWA is a direct party to the tri-party agreement and the custodian is not the trust department of or affiliated with the financial institution that is the seller-borrower of the repurchase agreement. All deposits with financial institutions are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB pronouncements. The investments in money market mutual funds and Florida Prime are considered *unclassified* pursuant to the custodial credit risk categories of GASB pronouncements.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The money market mutual funds and Florida Prime have a weighted average maturity of less than 90 days, resulting in minimal interest rate risk. The LGIP Fund B has a weighted average maturity of 4.08 years.

Credit Risk: Credit risk is the risk that an issuer will not fulfill its obligations. The SWA'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

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qualified public depository, securities guaranteed by the U.S. Government, or investments that are otherwise fully collateralized or secured. The credit quality rating by a Nationally Recognized Statistical Rating Organization (NRSRO) is also an indication of credit risk. The repurchase agreement and LGIP Fund B do not have a credit quality rating.

The credit quality ratings of the investments held at September 30, 2012 are as follows:

	Fair Value	Credit Quality Ratings	
		S&P	Moody's
Money market mutual funds	\$ 215,180,549	AAAm	Aaa
Florida Prime	225,648,644	AAAm	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 SWA'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 SWA was in compliance with these limitations at September 30, 2012. At September 30, 2012 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	Fair Value	Percentage of Total Investment Portfolio
Florida Prime	\$ 225,648,644	25.2%
Money market mutual funds		
Dreyfus Government	119,792,712	13.4%
Fidelity Government	91,526,608	10.2%
Repurchase agreement	445,470,030	49.8%

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 in the SWA's investments at September 30, 2012.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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 2012 was \$17,196,192.

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	\$ 739,502,035	\$ 76,650	\$ (40,157)	\$ 739,538,528
Construction In Progress	517,928,850	89,093,384	(46,605,375)	560,416,859
Total non-depreciable assets	<u>1,257,430,885</u>	<u>89,170,034</u>	<u>(46,645,532)</u>	<u>1,299,955,387</u>
Depreciable assets:				
Buildings and improvements	881,063,972	21,416,579	(6,796)	902,473,755
Improvements other than buildings	351,004,314	15,329,389	-	366,333,703
Equipment	612,244,696	66,019,459	(38,806,858)	639,457,297
Infrastructure	1,340,180,923	7,597,089	-	1,347,778,012
Total depreciable assets	<u>3,184,493,905</u>	<u>110,362,516</u>	<u>(38,813,654)</u>	<u>3,256,042,767</u>
Less accumulated depreciation for:				
Buildings and improvements	(317,128,264)	(24,207,244)	5,936	(341,329,572)
Improvements other than buildings *	(189,374,807)	(9,596,175)	-	(198,970,982)
Equipment *	(418,518,957)	(58,136,074)	34,342,435	(442,312,596)
Infrastructure	(1,017,359,079)	(27,607,200)	-	(1,044,966,279)
Total accumulated depreciation	<u>(1,942,381,107)</u>	<u>(119,546,693)</u>	<u>34,348,371</u>	<u>(2,027,579,429)</u>
Total capital assets, being depreciated, net	<u>1,242,112,798</u>	<u>(9,184,177)</u>	<u>(4,465,283)</u>	<u>1,228,463,338</u>
Total governmental capital assets, net	<u>\$2,499,543,683</u>	<u>\$ 79,985,857</u>	<u>\$ (51,110,815)</u>	<u>\$ 2,528,418,725</u>

* Beginning balance adjusted for miscellaneous reclassification.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 114,031,852	\$ 870,958	\$ -	\$ 114,902,810
Intangible - easement rights *	1,660,856	-	-	1,660,856
Construction In Progress	30,617,811	47,574,256	(38,553,944)	39,638,123
Total non-depreciable assets	<u>146,310,519</u>	<u>48,445,214</u>	<u>(38,553,944)</u>	<u>156,201,789</u>
Depreciable assets:				
Buildings and improvements	452,286,343	4,833,068	(1,367,397)	455,752,014
Improvements other than buildings	1,372,833,922	34,734,839	(57,996)	1,407,510,765
Equipment	106,493,675	7,190,926	(2,278,601)	111,406,000
Intangible - easement rights *	13,754,957	-	-	13,754,957
Leasehold interest	12,411,525	-	-	12,411,525
Goodwill	6,915,903	-	-	6,915,903
Total depreciable assets	<u>1,964,696,325</u>	<u>46,758,833</u>	<u>(3,703,994)</u>	<u>2,007,751,164</u>
Less accumulated depreciation for:				
Buildings and improvements	(202,122,148)	(17,377,434)	1,367,397	(218,132,185)
Improvements other than buildings	(549,689,623)	(38,720,399)	57,996	(588,352,026)
Equipment	(79,524,045)	(7,516,500)	2,171,014	(84,869,531)
Intangible - easement rights	(3,503,170)	(343,874)	-	(3,847,044)
Leasehold interest	(6,630,171)	(1,267,747)	-	(7,897,918)
Goodwill	(1,096,253)	(216,956)	-	(1,313,209)
Total accumulated depreciation	<u>(842,565,410)</u>	<u>(65,442,910)</u>	<u>3,596,407</u>	<u>(904,411,913)</u>
Total capital assets, being depreciated, net	<u>1,122,130,915</u>	<u>(18,684,077)</u>	<u>(107,587)</u>	<u>1,103,339,251</u>
Total business-type capital assets, net	<u>\$ 1,268,441,434</u>	<u>\$ 29,761,137</u>	<u>\$ (38,661,531)</u>	<u>\$ 1,259,541,040</u>

* A portion of Intangible - Easement rights was reclassified from a depreciable to a non-depreciable asset category effective October 1, 2011.

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

Governmental activities:

General government	\$ 19,212,003
Public safety	32,946,430
Physical environment	1,572,005
Transportation	37,611,334
Economic environment	364,148
Human services	1,665,485
Culture and recreation	17,804,237

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 assets.

Total depreciation expense - governmental activities	<u>\$ 119,546,693</u>
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Business-type Activities:

Department of Airports	\$ 26,933,358
Water Utilities Department	38,509,552
Total depreciation expense - business-type activities	<u>\$ 65,442,910</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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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	289,853,254	206,181,858	(205,398,035)	290,637,077
Total non-depreciable assets	<u>340,479,380</u>	<u>206,181,858</u>	<u>(205,398,035)</u>	<u>341,263,203</u>
Depreciable assets:				
Buildings and improvements	340,798,118	199,442,783	(1,809,210)	538,431,691
Improvements other than buildings	106,463,866	8,004,332	(3,928,619)	110,539,579
Equipment	186,036,514	5,035,600	(4,266,981)	186,805,133
Total depreciable assets	<u>633,298,498</u>	<u>212,482,715</u>	<u>(10,004,810)</u>	<u>835,776,403</u>
Less accumulated depreciation for:				
Buildings and improvements	(133,473,488)	(20,739,903)	1,809,209	(152,404,182)
Improvements other than buildings	(41,494,107)	(5,202,006)	3,928,618	(42,767,495)
Equipment	(119,754,916)	(13,551,405)	3,934,667	(129,371,654)
Total accumulated depreciation	<u>(294,722,511)</u>	<u>(39,493,314)</u>	<u>9,672,494</u>	<u>(324,543,331)</u>
Total capital assets, being depreciated, net	<u>338,575,987</u>	<u>172,989,401</u>	<u>(332,316)</u>	<u>511,233,072</u>
Total component unit capital assets, net	<u>\$ 679,055,367</u>	<u>\$ 379,171,259</u>	<u>\$ (205,730,351)</u>	<u>\$ 852,496,275</u>

5. INTERFUND TRANSFERS IN AND OUT

Interfund transfers in and out during fiscal year 2012 were as follows:

Interfund Transfers In	Interfund Transfers Out	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	General Government Capital Projects	\$ 1,007,142
	Law Enforcement Grants Special Revenue Fund	7,451,287
	Other Special Revenue Fund	2,774,207
	Criminal Justice Capital Projects	2,543,970
	Environmental Lands Capital Projects	2,214,748
	Fleet Management	7,147,770
	Combined Insurance Fund	6,827,701
		<u>29,966,825</u>
Fire Rescue Special Revenue Fund	General Fund	5,913,947
	Other Special Revenue Fund	455,482
	Fleet Management	897
	Combined Insurance Fund	86,793
		<u>6,457,119</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Interfund Transfers In	Interfund Transfers Out	Amount
Community & Social Development Special Revenue Fund	General Fund	12,752,295
	General Government Capital Projects	80,000
	Water Utilities	100,000
		<u>12,932,295</u>
Road Program Capital Projects	General Fund	750,000
	County Transportation Trust Special Revenue Fund	64,000
		<u>814,000</u>
General Government Capital Projects	General Fund	13,370,040
	Fire Rescue Special Revenue Fund	243,767
	Community & Social Development Special Revenue Fund	2,195,492
	Law Enforcement Grants Special Revenue Fund	910
	County Transportation Trust Special Revenue Fund	36,576
	Library Taxing District Special Revenue Fund	9,937
	Palm Tran Special Revenue Fund	63,426
	Other Special Revenue Fund	1,171,977
	Airports	37,633
	Fleet Management	7,611
		<u>17,137,369</u>
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	General Fund	\$ 69,250
	Other Special Revenue Fund	73,400
		<u>142,650</u>
County Transportation Trust Special Revenue Fund	General Fund	<u>3,883,823</u>
Municipal Service Taxing District Special Revenue Fund	Fleet Management	144,996
	Combined Insurance Fund	173,586
		<u>318,582</u>
Library Taxing District Special Revenue Fund	Libraries Capital Projects	2,200,000
	Fleet Management	39,129
	Combined Insurance Fund	781,138
		<u>3,020,267</u>
Affordable Housing Trust Fund (SHIP) Special Revenue Fund	General Fund	<u>141,500</u>
Palm Tran Special Revenue Fund	General Fund	<u>16,288,125</u>
Other Special Revenue Fund	General Fund	2,882,159
	Law Enforcement Grants Special Revenue Fund	192,502
		<u>3,074,661</u>
Nonmajor Debt Service Funds		
General Obligation Bonds Debt Service Funds	General Fund	<u>375,659</u>

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Interfund Transfers In	Interfund Transfers Out	Amount
Revenue Bonds Debt Service Fund	General Fund	85,087,390
	Road Program Capital Projects	1,029,000
	General Government Capital Projects	727,755
	Tourist Development Special Revenue Fund	6,608,320
	Other Special Revenue Fund	711,371
	Criminal Justice Capital Projects	2,000,000
		<u>96,163,836</u>
Other Financing Debt Service	General Fund	553,281
	Revenue Bonds Debt Service Fund	15,988,903
	Environmental Lands Capital Projects	27,197
		<u>16,569,381</u>
Nonmajor Capital Projects Funds		
Environmental Lands Capital Projects	General Fund	250,000
	Tourist Development Special Revenue Fund	2,208,737
	Other Special Revenue Fund	693,918
		<u>3,152,655</u>
Parks & Recreation Capital Projects	General Fund	868,447
	General Obligation Bonds Debt Service Funds	65,059
		<u>933,506</u>
Total Nonmajor Governmental Funds		<u>\$ 144,064,645</u>
Proprietary Funds:		
Major Enterprise Funds		
Airports	Fleet Management	\$ 87,553
	Combined Insurance Fund	260,380
		<u>347,933</u>
Water Utilities	Fleet Management	1,579,655
	Combined Insurance Fund	1,041,518
		<u>2,621,173</u>
Total Enterprise Funds		<u>\$ 2,969,106</u>
Internal Service Funds:		
Fleet Management	General Fund	\$ 610,000
Total Interfund Transfers Primary Government		<u>\$ 214,951,359</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; (5) provide funding for various capital projects by means of transfers; and (6) reduce fund balances in the internal service funds via transfers to other County departments.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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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 33 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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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, 2012, 2011, and 2010 were \$59.1 million, \$93.5 million, and \$100.5 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, 2012:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Regular	3.00%	5.18%
Special Risk	3.00%	14.90%
Judges	3.00%	11.93%
Legislators	3.00%	8.53%
Governor/Lieutenant Governor/Cabinet	3.00%	8.53%
State Attorney/Public Defender	3.00%	8.53%
County, City, Special District Elected Officers	3.00%	10.23%
Special Risk Administrative Support	3.00%	5.91%
IFAS Supplemental	0.00%	18.75%
Senior Management	3.00%	6.30%
Deferred Retirement Option Program	N/A	5.44%

**PALM BEACH COUNTY, FLORIDA
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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, 2012 were as follows:

Annual required contribution (ARC)	\$	11,081,517
Interest on net pension obligation		614,231
Adjustment to ARC		(433,289)
Annual pension cost		11,262,459
Contributions made		(3,964,409)
Increase (decrease) in net pension obligation		7,298,050
Net pension obligation beginning of year		8,013,869
Net pension obligation end of year	\$	15,311,919

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/10	\$ 5,769,760	58%	\$ 2,718,873
09/30/11	8,589,477	40	8,013,869
09/30/12	11,262,459	33	15,311,919

Funded Status and Funding Progress – As of January 1, 2012, the most recent actuarial valuation date, the plan was 64.5% funded. The actuarial accrued liability for benefits was \$88.5 million, and the actuarial value of assets was \$57.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$31.5 million. The covered payroll (annual payroll of active

PALM BEACH COUNTY, FLORIDA
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employees covered by the plan) was \$25.0 million, and the ratio of the UAAL to the covered payroll was 125.8%.

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, 2012 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, 2012 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) firefighters 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 69.10% 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, 2012 were as follows:

Annual required contribution (ARC)	\$	1,401,002
Interest on net pension obligation		2,642
Adjustment to ARC		(4,138)
Annual pension cost		1,399,506
Contributions made		(1,386,885)
Increase (decrease) in net pension obligation		12,621
Net pension obligation beginning of year		41,505
Net pension obligation end of year	\$	54,126

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/10	\$1,432,225	98%	\$ 34,505
09/30/11	1,437,327	100	41,505
09/30/12	1,399,506	98	54,126

Funded Status and Funding Progress – As of September 30, 2011, the most recent actuarial valuation date, the plan was 76.7% funded. The actuarial accrued liability for benefits was \$27.3 million, and the actuarial value of assets was \$20.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$6.3 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 285.4%.

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, 2011 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, 2011 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 appropriate City-sponsored retirement plan or to become a member of the Florida Retirement

**PALM BEACH COUNTY, FLORIDA
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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 \$227,038 for the year ended September 30, 2012.

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, 2012, 2011 and 2010 were \$1,081,074, \$2,041,721 and \$2,321,416, 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, 2012:

Governmental Activities:	Amount
Major funds:	
General Fund	\$ 1,532,480
Fire Rescue Special Revenue Fund	5,055,270
Community & Social Development Special Revenue Fund	11,177,775
Road Program Capital Projects Fund	64,374,600
General Government Capital Projects Fund	11,449,321
Total major funds	93,589,446
Nonmajor governmental activities	46,683,671
Total governmental activities	140,273,117
 Business-type Activities:	
Airports	13,036,166
Water Utilities	16,995,000
Total business-type activities	30,031,166
Total commitments	\$ 170,304,283

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

Water Utilities

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, 2012 is \$9.3 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 4.55%. The agreement commits the County as a backup pledge for the debt. The balance of the bank loan at September 30, 2012 is \$7.8 million.

Palm Tran

In September 2012, the County was notified that the Palm Tran/ATU Local 1577 Pension Plan had a funding deficiency. As a result, the County is required to amortize this funding deficiency over three annual payments. The first annual payment of \$3,572,649 was paid by September 30, 2012, with the remaining two payments of \$3,572,649 each due by the end of September 30, 2013 and September 30, 2014, respectively.

Termination Benefits

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

Prior Year Plans:

On January 15, 2010 the County offered eligible employees up to eight weeks of severance pay and the right to continue their healthcare insurance at the employee rate for up to three years if they agreed to voluntarily terminate employment by February 26, 2010. The liability for the

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accrued healthcare cost at September 30, 2012 was \$73,000 which is 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, 2012 was \$268,000 with \$267,000 estimated to be paid within one year. The healthcare cost benefit was valued using the unadjusted cost of the blended premium.

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. The liability for the accrued healthcare cost at September 30, 2012 was \$778,500 with \$517,000 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 was \$13 million, and as of September 30, 2012 the County has paid \$55 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,

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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, 2012 the uncompleted contracts are summarized as follows:

	<u>Contract Amount</u>	<u>Approved Payments</u>	<u>Retainage Payable</u>	<u>Remaining Contract Commitment</u>
Bond Funds	<u>\$808,942,594</u>	<u>\$323,438,048</u>	<u>\$12,934,172</u>	<u>\$472,570,374</u>

In addition to the construction contract commitments, SWA also had outstanding purchase commitments for various equipment, goods and services totaling approximately \$20.6 million at September 30, 2012.

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 and again on September 25, 2012; each for an additional five year term, effectively extending the agreement through the fiscal year ending September 30, 2017.

SWA paid \$1,829,741 for 2012. SWA is required to pay \$1,881,486 under this agreement for the fiscal year ended September 30, 2013. The amount due each year can increase up to 3% per year.

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, 2012 was approximately \$280,000. The carrying value of the land subject to the lease was approximately \$8 million at September 30, 2012. 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

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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, 2012 was approximately \$137,000. The minimum future rental payments, based on an annual increase of 3 percent, under this operating lease at September 30, 2012 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2013	\$ 141,150
2014	145,385
2015	149,746
2016	154,239
2017	158,866
2018-2020	<u>505,770</u>
	<u><u>\$ 1,255,156</u></u>

Landfill Closure and Postclosure Care Costs

The SWA operated one active landfill site for the year ended September 30, 2012. In addition, the SWA is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991.

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

Landfill closure and postclosure care liabilities at September 30, 2012 are as follows:

Accrued closure and postclosure care costs	\$ 35,612,977
Accrued postclosure care for closed landfills	4,705,824
Total Accrued Landfill Closure Costs	<u><u>\$ 40,318,801</u></u>

The \$35,612,977 of accrued closure and postclosure care liabilities at September 30, 2012 represents the cumulative cost based on the use of 39.4 percent of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately \$65.2 million for the operating landfill as the remaining

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estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. 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, 2012 assets of \$31,587,168 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, 2012, the statutorily required escrow account balances were as follows:

Site	September 30, 2012
Site 7 closure costs	\$ 21,967,469
Dyer landfill long-term care	329,214
	<u>\$ 22,296,683</u>

State laws and regulations specify that required landfill escrow account balances must be calculated using either the “Pay-in” or the “Balance” method, as they are statutorily defined. During 2006 the SWA changed from the Pay-in method to the Balance method. The SWA will be required to continue using the Balance method through the remaining design life of the Site 7 landfill. Although the SWA is not legally required by state or federal laws and regulations to provide funding for the landfill sites closed prior to 1991, the SWA has accepted financial responsibility for these sites. The annual long-term care funding requirements for these sites were not estimated or accrued at September 30, 2012, however, management does not believe that the annual costs are material to the SWA and these costs will be adequately funded through future, annual operating budgets.

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, 2012, 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.

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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. Liability exposures are limited to \$200,000 per person and \$300,000 per occurrence under Florida's sovereign immunity statute 768.28. 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, 2012 is \$3,626,688. During claim years 2012 and 2011, 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>
2011	\$6,984,000	(\$530,245)	(\$2,634,584)	\$3,819,171
2012	3,819,171	2,042,020	(2,234,503)	3,626,688

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, 2012 is \$47,131,013. During claim years 2012 and 2011, changes recorded to the claims liability for workers' compensation insurance were as follows:

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<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>
2011	\$49,345,000	\$5,175,423	(\$9,124,448)	\$45,395,975
2012	45,395,975	14,787,348	(13,052,310)	47,131,013

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, 2012 is \$3,964,976. During claim years 2012 and 2011, 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>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2011	\$4,579,182	\$55,942,224	(\$56,294,161)	\$4,227,245
2012	4,227,245	53,517,235	(53,779,504)	3,964,976

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, 2012 is \$12,702,551. 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.

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During claim years 2012 and 2011, changes recorded to the claims liability for general liability 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>
2011	\$12,810,571	\$3,828,633	(\$3,853,278)	\$12,785,926
2012	12,785,926	3,311,072	(3,394,447)	12,702,551

Workers' Compensation Insurance

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2012 is \$22,716,366. 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 2012 and 2011, changes recorded to the claims liability for workers' compensation 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>
2011	\$23,215,313	\$3,695,870	(\$6,591,550)	\$20,319,633
2012	20,319,633	9,407,204	(7,010,471)	22,716,366

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. The health insurance program is accounted for as an internal service fund.

During claim years 2012 and 2011, changes recorded to the claims liability for health insurance were as follows:

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<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>
2011	\$806,000	\$7,553,113	(\$7,617,113)	\$742,000
2012	742,000	8,215,654	(8,207,654)	750,000

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 \$250 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 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 \$200,000 per claim and \$300,000 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. 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, 2012 and 2011 were as follows:

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<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>
2011	\$448,000	\$347,973	(\$347,973)	\$448,000
2012	448,000	558,243	(512,243)	494,000

The SWA purchases 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

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

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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 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, 2012 retirees receiving benefits contributed the following monthly premiums:

	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Monthly Minimum	\$ 655	\$ 662	\$ 385	\$ 525	\$ 534	\$ 147
Monthly Maximum	2,033	2,176	1,605	1,147	2,234	509

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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, for employees retiring on or after September 27, 2005, the subsidy is a monthly benefit of \$140 plus \$17 per year of service. This subsidy is payable for life and is assumed to remain fixed in the future. Employees who retire with at least ten years of service but before attaining normal retirement eligibility are eligible for a reduction to this benefit in the amount of 6% for each year between their age of retirement and age 55. This reduction remains fixed in the future.

Under the Sheriff’s Plan, for employees who retire in good standing after six years of service and who elect to retain the Sheriff’s Office group medical and/or dental coverage, the County provides a subsidy of \$16 per month per year of service toward medical and dental coverage for the retiree and eligible family members, based on years of service to the Sheriff. This subsidy ends at the death of the retiree or when the retiree discontinues coverage under the Sheriff’s plan. A special subsidy of 90% of medical and dental premiums for employee or employee-plus-one coverage is offered to the Sheriff, Chief Deputy, Deputy Director, Director, and Colonel. A special subsidy of 80% of medical and dental premiums for employee or employee-plus-one coverage is offered to Majors and the Bureau Director. A special subsidy of 100% of medical and dental premiums for employee or employee-plus-one coverage is offered to employees who become disabled in the line of duty and spouses of employees who die in the line of duty.

OPEB Cost and Net OPEB Obligation: The annual other post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the amount contributed to the plan, and changes in the net OPEB obligation as of fiscal year ended September 30, 2012:

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	County	Tax Collector	Property Appraiser	Clerk & Comptroller	Sheriff	Fire Rescue Union
Annual required contribution (ARC)	\$ 1,240,000	\$ 245,315	\$ 23,310	\$ 491,917	\$ 21,010,000	\$ 10,231,000
Interest on net OPEB obligation	(18,000)	32,339	6,906	12,880	2,250,000	989,000
Adjustment to annually required contribution	16,000	(7,445)	(1,135)	(17,905)	(2,000,000)	(795,000)
Annual OPEB cost	1,238,000	270,209	29,081	486,892	21,260,000	10,425,000
Contributions made	(1,758,393)	-	(10,527)	(243,747)	(4,570,000)	(4,446,592)
Increase (decrease) in net OPEB obligation	(520,393)	270,209	18,554	243,145	16,690,000	5,978,408
Net OPEB obligation-beginning of year	(427,805)	646,772	138,118	172,966	50,120,000	19,012,821
Net OPEB obligation (asset) - end of year	\$ (948,198)	\$ 916,981	\$ 156,672	\$ 416,111	\$ 66,810,000	\$ 24,991,229

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			
9/30/2010	\$ 1,205,000	92.8 %	\$ 598,206
9/30/2011	1,159,000	188.5	(427,805)
9/30/2012	1,238,000	142.0	(948,198)
Tax Collector			
9/30/2010	\$ 152,303	0.0 %	\$ 493,357
9/30/2011	153,415	0.0	646,772
9/30/2012	270,209	0.0	916,981
Property Appraiser			
9/30/2010	\$ 38,397	0.0 %	\$ 98,471
9/30/2011	39,647	0.0	138,118
9/30/2012	29,081	36.2	156,672
Clerk & Comptroller			
9/30/2010	\$ 413,000	92.4 %	\$ 134,482
9/30/2011	430,000	91.1	172,966
9/30/2012	486,892	50.1	416,111
Sheriff			
9/30/2010	\$ 18,000,000	25.0 %	\$ 36,000,000
9/30/2011	19,250,000	26.6	50,120,000
9/30/2012	21,260,000	21.5	66,810,000
Fire Rescue Union			
9/30/2010	\$ 12,974,000	35.1 %	\$ 13,848,359
9/30/2011	9,893,000	47.8	19,012,821
9/30/2012	10,425,000	42.7	24,991,229

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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)	\$ 16,267,000	\$ 1,546,776	\$ 192,396	\$ 6,200,857	\$ 240,478,000	\$ 129,760,000
Actuarial value of plan asset	-	-	-	-	-	23,359,477
Unfunded actuarial accrued liability (UAAL)	\$ 16,267,000	\$ 1,546,776	\$ 192,396	\$ 6,200,857	\$ 240,478,000	\$ 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)	\$ 241,965,767	\$ 12,439,356	\$ 11,597,574	\$ 31,154,225	\$ 257,194,182	\$ 138,684,968
UAAL as a percentage of covered payroll	6.7%	12.4%	1.7%	19.9%	93.5%	76.7%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, 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. Due to the small number of retirees in the Tax Collector’s Plan, it was determined that any implicit subsidy is insignificant and conservatively reported as zero.

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	10/1/2011	10/1/2012	10/1/2012	10/1/2011	1/1/2012	10/1/2010
Actuarial cost method	Projected Unit credit actuarial cost method	Entry age normal 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
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	4.2%	5.0%	4.0%	4.0%	4.5%	5.2%
Projected salary increases	3.5%	4.0%	4.0%	2.5%	3.5%	3.5%
Healthcare inflation rate-initial	11.0%	7.0%	8.0%	8.0%	7.2%	10.0%
Healthcare trend rate-ultimate	5.0%	5.0%	5.0%	4.5%	5.0%	5.0%

Long Term Disability Benefits Provided to Retirees

Plan Description: The Palm Beach County Fire Rescue Supplemental Disability Plan is a defined benefit plan that provides disability benefits to Firefighters and District Chiefs totally and permanently prevented from rendering useful and efficient service as a Firefighter/District Chief incurred in the line of duty. The plan is a single employer plan which is administered by the Palm Beach County Fire Rescue Department. 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	\$ 765,465
Interest on net OPEB obligation	4,212
Adjustment to annual required contribution	(7,549)
Annual OPEB cost (expense)	<u>762,128</u>
Contributions made	<u>(622,702)</u>
Increase in net OPEB obligation	139,426
Net OPEB obligation (asset)- beginning of year	91,165
Net OPEB obligation (asset)- end of year	<u><u>\$ 230,591</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
9/30/2010	\$ 798,989	84.2%	\$ (81,992)
9/30/2011	879,353	80.3%	91,165
9/30/2012	762,128	81.7%	230,591

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, 2012, was as follows:

Actuarial accrued liability (AAL)	\$ 9,276,012
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 9,276,012</u>
Funded ratio (actuarial value of plan / AAL)	0.0%
Covered payroll (active plan members)	\$138,684,968
UAAL as a percentage of covered payroll	6.7%

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

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial

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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	10/1/2011
Actuarial cost method	Projected Unit Credit 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	4.0%
Projected salary increases	3.5%
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 \$624 to a maximum of \$2,012.

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, 2012 was as follows:

Annual required contribution	\$ 75,000
Interest on net OPEB obligation	21,000
Adjustment to annual required contribution	<u>(16,000)</u>
Annual OPEB cost	80,000
Contributions made	<u>(72,560)</u>
Increase (decrease) in net OPEB obligation	7,440
Net OPEB obligation, beginning of year	<u>327,559</u>
Net OPEB obligation, end of year	<u><u>\$ 334,999</u></u>

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:

<u>Year Ended September 30,</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 80,000	\$ 72,560	90.7%	\$ 334,999
2011	80,000	99,470	124.3%	327,559
2010	186,000	59,971	32.2%	347,029

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 based upon available information and presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits:

<u>Date of Actuarial Valuation October 1,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2010	\$ 0	\$ 724,000	\$ 724,000	0.0%	\$22,391,000	3.2%

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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The Plan uses 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 rate 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 \$1,964,422 for the year ended September 30, 2012. 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>
2013	\$ 38,472,986
2014	35,910,720
2015	20,139,340
2016	20,118,652
2017	10,198,528
Thereafter	<u>59,856,038</u>
Total	<u>\$ 184,696,264</u>

A schedule of the carrying value of property held for lease, by major classification, as of September 30, 2012 is as follows:

	<u>September 30, 2012</u>
Buildings	\$ 233,291,349
Less: accumulated depreciation	<u>(144,221,001)</u>
Net Buildings	89,070,348
Land	<u>9,172,040</u>
Total property held for lease	<u>\$ 98,242,388</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, 2012 amounted to approximately \$5,064,998 comprised of \$4,939,517 for Governmental funds, \$112,399 for Enterprise Funds, and \$13,082 for Internal Service Funds.

Operating Leases

Future minimum rental payments under non-cancellable operating leases as of September 30, 2012 are as follows:

Fiscal Year	Governmental Funds	Enterprise Funds	Internal Service Funds
2013	\$ 2,838,809	\$ 84,187	\$ 7,871
2014	2,110,132	28,916	3,491
2015	1,120,842	6,957	1,227
2016	570,357	-	-
2017	134,761	-	-
Thereafter	377,704	-	-
Total	<u>\$ 7,152,605</u>	<u>\$ 120,060</u>	<u>\$ 12,589</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 June 28, 2012, Palm Beach County issued \$147,000,000 Public Improvement Revenue Refunding Bonds, Series 2012 with an effective interest rate of 2.358% to advance refund \$50,255,000 of outstanding Public Improvement Revenue and Refunding Bonds, Series 2004 and \$22,725,000 of outstanding Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A and \$82,625,000 of outstanding Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A. The net proceeds of \$174,873,350 (after allowing for \$28,470,407 in bond premium and \$597,057 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 \$12,103,093. 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 \$12,009,869 over a period of thirteen years and incurred an economic gain of approximately \$10,458,365 (difference between the present value of the old and new debt service payments). The purpose of the refunding was to take advantage of the unusually low interest rates that were available at this time.

The amount of in-substance defeased bonds outstanding, as of September 30, 2012, consists of the following:

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<u>Bond Issues</u>	<u>Amount</u>
Governmental Funds:	
General Obligation Bonds (Library District Improvement Project), 2003	\$ 18,025,000
General Obligation Bonds (Recreational and Cultural Facilities), 2003	14,730,000
Public Improvement Revenue and Refunding Bonds, 2004	50,255,000
Public Improvement Revenue Bonds (Biomedical Rsrch Park Proj), 2004A	22,725,000
Public Improvement Revenue Bonds (Biomedical Rsrch Park Proj), 2005A	82,625,000
General Obligation Bonds (Recreational and Cultural Facilities), 2005	15,080,000
	<u>203,440,000</u>
Proprietary Funds:	
Airport Refunding Revenue Bonds, 2002	11,365,000
	<u>11,365,000</u>
 Total Defeased Bonds Outstanding	 <u><u>\$ 214,805,000</u></u>

Current Refundings:

On April 17, 2012, Palm Beach County issued \$16,189,340 Capital Improvement Revenue Bonds (Four Points and Other Public Buildings Projects), Series 2012 with an effective interest rate of 2.579% to refund the County's \$16,140,760 Capital Improvement Bond Anticipation Note (Four Points and Other Public Buildings Projects), Series 2009. The net proceeds of \$16,140,760 (after allowing for \$48,580 in issuance costs) were used to pay the principal on the note.

The reacquisition price exceeded the carrying amount, resulting in an accounting loss of \$1,757. This amount was netted against the new debt and was expensed during the current fiscal year since the remaining life of the refunded debt did not exceed the end of the current fiscal year. The County increased its aggregate debt service payments by approximately \$3,264,361 over a period of fifteen years and incurred an economic gain of approximately \$41,415 (difference between the present value of the old and new debt service payments). The purpose of the refunding was to replace the variable rate note near maturity with a fixed rate bond.

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12. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2012 are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2012 were as follows:

Interfund Receivable Fund	Interfund Payable Fund	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Community & Social Development Special Revenue Fund	\$ 10,224,619
	Fleet Management	6,375,910
	Combined Insurance Fund	6,335,901
	Palm Tran Special Revenue Fund	4,024,345
	Law Enforcement Grant Special Revenue Fund	4,822,734
	Other Special Revenue Funds	564,983
	Airports	137,503
	Clerk & Comptroller Insurance Fund	88,505
	Water Utilities	7,780
	Library Taxing District Special Revenue Fund	3,564
	Road Program Capital Projects	605
	Municipal Service Taxing District	320
	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	222
		<hr/> 32,586,991
Fire Rescue Special Revenue Fund	General Fund	3,424,734
	Combined Insurance Fund	86,793
	Fleet Management	897
		<hr/> 3,512,424
Community & Social Development Special Revenue Fund	General Fund	6,104,745
	Affordable Housing Trust Fund (SHIP) Special Revenue Fund	35,461
	General Government Capital Projects	816
		<hr/> 6,141,022
General Government Capital Projects	General Fund	2,229,091
	Community & Social Development Special Revenue Fund	647,959
		<hr/> 2,877,050
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	General Fund	\$ 7,821,296
	Other Special Revenue Funds	10,972
		<hr/> 7,832,268
County Transportation Trust Special Revenue Fund	General Fund	556,355
Municipal Service Taxing District	Combined Insurance Fund	173,586
	Fleet Management	118,768
		<hr/> 292,354
Library Taxing District Special Revenue Fund	General Fund	512,820
	Combined Insurance Fund	781,138
	Fleet Management	34,779
		<hr/> 1,328,737
Affordable Housing Trust Fund (SHIP) Special Revenue Fund	General Fund	141,500

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Interfund Receivable Fund	Interfund Payable Fund	Amount
Palm Tran Special Revenue Fund	General Fund	<u>3,730,880</u>
Other Special Revenue Funds	General Fund	<u>904,920</u>
Environmental Lands Capital Projects	Tourist Development Special Revenue Fund	690,230
	Other Special Revenue Funds	<u>124,344</u>
		<u>814,574</u>
Street & Drainage Capital Projects	General Fund	<u>3,758</u>
Total Nonmajor Governmental Funds		<u>\$ 15,605,346</u>
Proprietary Funds:		
Enterprise Funds		
Airports	Combined Insurance Fund	\$ 260,380
	Fleet Management	78,375
	Other Special Revenue Funds	<u>8,850</u>
		<u>347,605</u>
Water Utilities	Fleet Management	1,391,271
	Combined Insurance Fund	1,041,518
	General Fund	7,627
	Airports	6,379
	Community & Social Development Special Revenue Fund	<u>1,079</u>
		<u>2,447,874</u>
Total Enterprise Funds		<u>\$ 2,795,479</u>
Internal Service Funds		
Fleet Management	General Fund	\$ 1,330,035
	County Transportation Trust Special Revenue Fund	499,852
	Water Utilities	384,951
	Fire Rescue Special Revenue Fund	141,979
	Airports	63,535
	Palm Tran Special Revenue Fund	55,975
	Other Special Revenue Funds	50,277
	Municipal Service Taxing District Special Revenue Fund	34,053
	Road Program Capital Projects	18,198
	Library Taxing District Special Revenue Fund	8,355
	Community & Social Development Special Revenue Fund	4,641
	Combined Insurance Fund	<u>386</u>
		<u>2,592,237</u>
Combined Insurance Fund	General Fund	467,412
	Palm Tran Special Revenue Fund	145,375
	Water Utilities	135,046
	Community & Social Development Special Revenue Fund	90,425
	Library Taxing District Special Revenue Fund	87,919
	County Transportation Trust Special Revenue Fund	77,244
	Airports	34,471
	Municipal Service Taxing District Special Revenue Fund	24,285
	Other Special Revenue Funds	16,910
	Fleet Management	14,438

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Interfund Receivable Fund	Interfund Payable Fund	Amount
	Fire Rescue Special Revenue Fund	11,948
	Road Program Capital Projects Fund	11,094
	Tourist Development Special Revenue Fund	629
	Law Enforcement Grants Special Revenue Fund	396
		<u>1,117,592</u>
Clerk & Comptroller Insurance Fund	General Fund	644,507
Total Internal Service Funds		<u>\$ 4,354,336</u>
Total Interfund Receivables and Payables Primary Government		<u>\$ 67,872,648</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:

Interfund Receivable Primary Government Fund	Interfund Payable Component Unit Fund	Amount
General Fund	Solid Waste Authority	\$ 371,454
	Housing Finance Authority	46,763
Combined Insurance Fund	Metropolitan Planning Organization	2,089
Fleet Management	Solid Waste Authority	919
		<u>421,225</u>
Interfund Receivable Component Unit Fund	Interfund Payable Primary Government Fund	Amount
Westgate/Belvedere Homes CRA	Other Special Revenue Funds	122,536
	Community & Social Development Special Revenue Fund	20,301
Housing Finance Authority	General Fund	6,406,976
Metropolitan Planning Organization	General Fund	290,496
Solid Waste Authority	General Fund	4,875,880
	County Transportation Trust Special Revenue Fund	10,339
	Other Special Revenue Funds	387
	Airports	209
	Palm Tran	23
		<u>11,727,147</u>
Total Receivables and Payables Between Primary Government and Component Units		<u>\$ 12,148,372</u>

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13. 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, 2012 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	\$ 226,545,000	\$ -	\$ 19,205,000	\$ 207,340,000	\$ 20,130,000
Non-ad valorem revenue bonds	848,086,272	163,189,340	217,999,444	793,276,168	66,447,133
Face amount of bonds payable	1,074,631,272	163,189,340	237,204,444	1,000,616,168	86,577,133
Unamortized bond premiums	35,514,341	28,470,407	11,087,345	52,897,403	-
Unamortized loss on bond refinancing	(9,612,831)	(12,104,850)	(1,934,413)	(19,783,268)	-
Net bonds payable	1,100,532,782	179,554,897	246,357,376	1,033,730,303	86,577,133
Notes and loans payable	36,128,885	3,561,000	17,115,544	22,574,341	1,487,784
Arbitrage liability	8,656,542	95,917	1,515,139	7,237,320	6,000,690
Compensated absences	124,450,945	46,155,737	40,853,467	129,753,215	5,629,773
OPEB	70,319,709	23,353,331	29,700	93,643,340	-
Net pension obligation	8,055,374	12,661,965	5,351,294	15,366,045	-
Termination benefits	2,940,469	36,031	2,014,580	961,920	734,087
Estimated Self-Insurance Obligation	87,289,950	91,280,533	87,678,889	90,891,594	15,009,838
Governmental activity long-term liabilities	<u>\$ 1,438,374,656</u>	<u>\$ 356,699,411</u>	<u>\$ 400,915,989</u>	<u>\$ 1,394,158,078</u>	<u>\$ 115,439,305</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 \$56,346,406 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	\$ 327,938,000	\$ -	\$ 18,313,000	\$ 309,625,000	\$ 17,460,000
Unamortized bond premiums	6,484,391	-	625,535	5,858,856	-
Unamortized loss on bond refinancing	(549,865)	-	(236,396)	(313,469)	-
Net bonds payable	333,872,526	-	18,702,139	315,170,387	17,460,000
Arbitrage liability	283,518	-	119,258	164,260	-
Joint venture liability	1,405,216	-	1,405,216	-	-
Compensated absences	4,160,175	129,238	191,670	4,097,743	272,133
OPEB	151,391	26,208	25,602	151,997	-
Termination benefits	457,314	-	294,048	163,266	128,617
Business-type activities long-term liabilities	<u>\$ 340,330,140</u>	<u>\$ 155,446</u>	<u>\$ 20,737,933</u>	<u>\$ 319,747,653</u>	<u>\$ 17,860,750</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

Governmental Activities General Long-Term Debt

General long-term debt, including current maturities, at September 30, 2012 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 \$3,625,000 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. \$ 11,480,000

\$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 remaining annual installment is \$1,350,000 due July 1, 2013; with an interest rate of 3.125% payable semi-annually on January 1 and July 1. 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. \$ 1,350,000

\$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 remaining annual installment is \$1,165,000 due July 1, 2013; with interest rate of 3.375% payable semi-annually on January 1 and July 1. 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. \$ 1,165,000

\$16,025,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities Program), Series 2005A were issued for paying and defeasing the County's outstanding General Obligation Bonds (Recreational and Cultural Facilities Program), Series 1999A maturing on and after August 1, 2010. The annual installments range from \$1,465,000 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. \$ 11,815,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$1,080,000 to \$1,155,000 through July 1, 2015; with interest rates from 3.375% 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. \$ 3,350,000

\$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 \$1,000,000 to \$1,665,000 through August 1, 2025; with interest rates from 3.625% 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. \$ 16,995,000

\$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 \$2,120,000 to \$3,570,000 through August 1, 2026; with interest rates from 3.700% 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. \$ 38,700,000

\$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 5.784% 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. \$ 75,070,000

\$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 \$245,000 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. \$ 18,960,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$ 207,340,000

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 remaining annual installment is \$16,785,000 due June 1, 2013; with an interest rate of 5.750% payable semi-annually on June 1 and December 1. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 16,785,000

\$18,560,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 2002 were issued to pay the cost of advance refunding a portion of the County's outstanding Criminal Justice Facilities Revenue Bonds, Series 1994. The annual installments range from \$1,830,000 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. \$ 5,765,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$660,000 to \$685,000 through July 1, 2014; with interest rates from 3.625% 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. \$ 1,345,000

\$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 \$4,895,000 through August 1, 2014; with an interest rate of 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. The County advance refunded \$50,255,000 of this issue on June 28, 2012. \$ 9,245,000

\$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 \$2,665,000 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. \$ 8,265,000

\$38,895,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A were issued to pay the outstanding principal and interest on the County's Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2004B. The annual installments range from \$1,720,000 to \$1,835,000 through November 1, 2014; with interest rates from 3.200% to 3.500% 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. The County advance refunded \$22,725,000 of this issue on June 28, 2012. \$ 5,330,000

PALM BEACH COUNTY, FLORIDA
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\$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 0.315% 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. \$ 7,328,253

\$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 \$1,700,000 to \$2,000,000 through November 1, 2016; 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. \$ 9,215,000

\$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 \$1,295,000 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. \$ 8,645,000

\$9,520,000 Public Improvement Revenue Refunding Bonds, Judicial Center Parking Facilities, Series 2005 were issued to pay the cost of refunding the County's Public Improvement Revenue Bonds, Judicial Parking Facilities, Series 1995 maturing on and after November 1, 2006. The annual installments range from \$990,000 to \$1,120,000 through November 1, 2015; with interest rates from 3.750% 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. \$ 4,210,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$5,675,000 to \$6,255,000 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. The County advance refunded \$82,625,000 of this issue on June 28, 2012. \$ 17,890,000

\$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 \$1,775,000 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. \$ 9,590,000

\$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 \$1,578,538 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. \$ 3,220,218

\$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 \$600,000 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. \$ 12,080,000

PALM BEACH COUNTY, FLORIDA
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\$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 \$101,254 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. \$ 2,211,597

\$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 \$182,966 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. \$ 4,530,659

\$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 \$3,620,000 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. \$ 85,045,000

\$35,075,000 Public Improvement Revenue Bonds (Law Enforcement Information Technology Project), Series 2008 were issued to pay the cost of law enforcement technology equipment and software. The annual installments range from \$6,110,184 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. \$ 12,408,858

PALM BEACH COUNTY, FLORIDA
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\$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. \$ 16,684,000

\$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 \$3,510,000 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. \$ 164,790,000

\$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 \$3,280,000 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. \$ 84,970,000

\$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 \$561,856 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. \$ 10,264,046

\$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 \$1,158,312 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. \$ 29,579,197

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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\$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

\$16,189,340 Capital Improvement Revenue Bond (Four Points and Other Public Buildings Projects), Series 2012 was issued to pay the County's Capital Improvement Bond Anticipation Notes, Series 2009. The annual installments range from \$987,273 to \$1,176,435 through March 1, 2027; with an interest rate of 2.520% payable semi-annually on March 1 and September 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 16,189,340

\$147,000,000 Public Improvement Revenue Refunding Bonds, Series 2012 were issued to defease and redeem the County's outstanding Public Improvement Revenue and Refunding Bonds, Series 2004 maturing on and after August 1, 2015 and its Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A maturing on and after November 1, 2015 and its Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A maturing on and after June 1, 2016. The annual installments range from \$0 to \$17,395,000 through June 1, 2025; with interest rates from 3.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 147,000,000

Total Non-Ad Valorem Revenue Bonds

\$ 793,276,168

Face Amount of Bonds Payable	\$1,000,616,168
Unamortized bond premiums	52,897,403
Unamortized loss on bond refinancing	(19,783,268)
Net General Obligation and Non-Ad Valorem Revenue Bonds	\$1,033,730,303

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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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 5.080% 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. \$ 964,000

\$11,697,676 Public Improvement Revenue Note (Environmentally Sensitive Land Acquisition Project) Series 2008 was issued to pay the cost of the acquisition of environmentally sensitive land in Palm Beach County. The annual installments are \$584,884 through August 1, 2028; with a variable rate of interest in effect of 1.074% 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. \$ 9,358,141

\$1,779,000 - HUD Section 108 Loan. \$2,600,000 is authorized leaving \$821,000 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Belle Glade Avenue "A" Revitalization Project. The annual installments range from \$35,000 to \$101,900 through August 1, 2031; with a variable rate of interest in effect of 0.560% 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, 2012 the outstanding individual loans are as follows:

\$199,000 - Glades Gas & Electric, 2009	\$ 154,000	
89,000 - Glades Home Health Care Med Ctr, 2010	71,200	
878,000 - Muslet Brothers, 2010	810,000	
21,000 - Building 172, Belle Glade, 2012	20,000	
592,000 - America's Sound, 2012	<u>592,000</u>	\$ 1,647,200

PALM BEACH COUNTY, FLORIDA
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\$10,823,000 - HUD Section 108 Loan. \$13,340,000 is authorized leaving \$2,517,000 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Community Development Business Loan Program Project. The annual installments range from \$70,000 to \$604,000 through August 1, 2032; with a variable rate of interest in effect of 0.560% 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, 2012 the outstanding individual loans are as follows:

\$1,000,000 - The Baron Group, 2009	\$ 700,000	
57,000 - Kiddie Haven Pre-School, 2010	45,000	
250,000 - Concrete Services LLC, 2010	204,000	
5,948,000 - Oxygen Development LLC, 2011	5,886,000	
265,000 - Donia Adams Roberts PA, 2011	252,000	
198,000 - Ameliascapes, 2011	187,000	
257,000 - F&T of Belle Glade, 2011	239,000	
1,412,000 - Glades Plaza Enterprises LLC, 2012	1,412,000	
473,000 - Doctors Scientific Organica, 2012	473,000	
455,000 - Schomburg Latin America LLC, 2012	455,000	
264,000 - Medical Career Institute, 2012	264,000	
244,000 - A&E Auto Sales, 2012	<u>244,000</u>	\$ 10,361,000

\$252,000 - HUD Section 108 Loan. \$2,824,000 is authorized leaving \$2,572,000 available for future financing. The HUD Loan was obtained to provide funding for County loans to various borrowers for the Pahokee Downtown Revitalization Project. The annual installments range from \$6,000 to \$14,000 through August 1, 2031; with a variable rate of interest in effect of 0.560% 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, 2012 the outstanding individual loans are as follows:

\$152,000 - Circle S Pharmacy, 2010	\$ 144,000	
100,000 - Simco, 2012	<u>100,000</u>	<u>\$ 244,000</u>

Total Notes and Other Loans Payable		\$ 22,574,341
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**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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, 2013. 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, 2012, this \$33,709,176 line of credit, covering the following outstanding bond issues, had no outstanding balance on the loan payable.

\$233,620,000 Criminal Justice Facilities Revenue Bonds, Series 1990	\$21,029,880
\$ 18,560,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 2002	2,116,750
\$ 81,340,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004	2,905,609
\$ 98,080,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2007C	<u>7,656,937</u>
	<u>\$33,709,176</u>

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, 2013. 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, 2012, this \$22,568,948 line of credit, covering the following outstanding bond issues, had no outstanding balance on the loan payable.

\$ 38,895,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004A	\$ 2,836,625
\$133,935,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A	10,816,638

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NOTES TO THE FINANCIAL STATEMENTS
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\$ 94,300,000 Public Improvement Revenue and Refunding Bonds, Series 2004	7,762,385
\$ 14,685,000 Public Improvement Revenue Bonds (Parking Facilities Expansion Project), Series 2006	<u>1,153,300</u>
	<u>\$22,568,948</u>

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.

\$ 7,237,320

Compensated absences

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

General Fund:

Board of County Commissioners	\$ 15,133,157	
Sheriff	85,872,982	
Tax Collector	1,109,279	
Property Appraiser	2,453,356	
Supervisor of Elections	<u>244,185</u>	
Total General Fund	<u>\$104,812,959</u>	
Special Revenue Funds	23,562,435	
Capital Projects Fund	588,717	
Internal Service Funds	<u>789,104</u>	
		\$ 129,753,215
OPEB (See note on OPEB)		93,643,340
Net pension obligation (See note on Retirement Plans)		15,366,045
Termination benefits (See note on Commitments)		961,920
Estimated Self-Insurance Obligation (See note on Risk Management)		<u>90,891,594</u>
Total Governmental Activities General Long-Term Debt including current portion		<u><u>\$1,394,158,078</u></u>

PALM BEACH COUNTY, FLORIDA
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Business-type Activities Long-Term Debt

Business-type long-term debt, including current portion, at September 30, 2012 consisted of the following:

Revenue Bonds

\$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 \$1,080,000 to \$1,120,000 through October 1, 2013; with an interest rate of 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. \$ 2,200,000

\$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 \$2,430,000 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. \$ 114,930,000

\$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 \$1,845,000 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. \$ 12,225,000

PALM BEACH COUNTY, FLORIDA
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<p>\$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.</p>	\$ 59,195,000
<p>\$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 \$10,995,000 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.</p>	\$ 35,140,000
<p>\$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.</p>	\$ 69,080,000
<p>\$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.</p>	\$ 16,855,000
<p>Total face value of revenue bonds payable</p>	\$ 309,625,000
<p>Unamortized bond premiums</p>	5,858,856
<p>Unamortized loss on bond refinancing</p>	(313,469)
<p>Net Revenue Bonds, Business-Type Activities</p>	\$ 315,170,387
<p>Arbitrage liability (See explanation in Governmental Activities section)</p>	\$ 164,260

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Compensated absences

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

Business-Type Fund

Water Utilities Department	\$	3,014,837	
Department of Airports		1,082,906	
	\$		4,097,743
OPEB (See note on OPEB)			151,997
Termination benefits (See note on Retirement Plans)			163,266
Total Business-Type Activities Long-Term Debt, including current portion	\$		319,747,653

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	
	2013	\$ 20,130,000	\$ 9,933,856	\$ 66,447,134	\$ 36,551,303	\$ 1,487,783	
2014	21,010,000	8,950,838	69,035,997	34,225,688	1,500,784	207,964	134,931,271
2015	22,025,000	7,920,310	63,041,615	31,049,274	1,501,784	192,523	125,730,506
2016	18,845,000	6,938,953	39,887,747	27,820,823	1,502,784	176,929	95,172,236
2017	19,790,000	5,992,212	40,537,715	25,957,113	1,502,784	161,230	93,941,054
2018-2022	78,405,000	15,416,188	192,239,809	103,850,480	6,781,119	572,307	397,264,903
2023-2027	27,135,000	2,594,630	177,750,019	56,805,445	5,830,419	230,920	270,346,433
2028-2032	-	-	87,156,132	23,609,181	2,466,884	30,182	113,262,379
2033-2037	-	-	46,450,000	9,876,750	-	-	56,326,750
2038-2042	-	-	10,730,000	536,500	-	-	11,266,500
Total	\$ 207,340,000	\$ 57,746,987	\$ 793,276,168	\$ 350,282,557	\$ 22,574,341	\$ 1,794,640	\$ 1,433,014,693

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

Business-type Activities Long-Term Debt

Year Ending September 30	Revenue Bonds		
	Principal	Interest	Total
2013	\$ 17,460,000	\$ 15,234,500	\$ 32,694,500
2014	18,385,000	14,277,824	32,662,824
2015	18,385,000	13,300,981	31,685,981
2016	8,550,000	12,601,894	21,151,894
2017	8,985,000	12,164,483	21,149,483
2018-2022	41,615,000	54,284,301	95,899,301
2023-2027	48,215,000	43,252,738	91,467,738
2028-2032	61,515,000	29,594,825	91,109,825
2033-2037	78,640,000	12,054,552	90,694,552
2038-2042	7,875,000	830,625	8,705,625
Total	\$ 309,625,000	\$ 207,596,723	\$ 517,221,723

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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, four series of Industrial Development Bonds were issued with an aggregate par value of \$86 million. As of September 30, 2012, there were forty-one series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of \$601 million.

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, 2012) and is due semi-annually in arrears on April 1st and October 1st. The outstanding principal balance on the Series 2008 Note was \$64 million at September 30, 2012 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, 2012 are summarized as follows:

Series 2011	\$ 599,860,000
Series 2009	259,045,000
Series 2008B	131,565,000
Series 2002B	38,734,386
Unamortized premium and discount, net	<u>45,742,726</u>
Net revenue bonds payable	1,074,947,112
Less current maturities	<u>(11,150,000)</u>
 Revenue bonds payable, long-term portion	 <u>\$ 1,063,797,112</u>

Series 2011: \$599,860,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2011 dated October 26, 2011. The Series 2011 Bonds were issued for the purpose of providing funds, together with other legally available monies, to refund and retire the SWA’s Improvement Revenue Bonds, Series 2010 and to pay the costs of issuance of the Series 2011 Bonds. The proceeds were placed in a defeasance escrow account until January 12, 2012. On that date, a portion of the proceeds was transferred to the Debt Service Reserve Account, the portion required for the Cost of Acquisition and Construction of the mass burn facility was transferred to the 2010 Project

PALM BEACH COUNTY, FLORIDA
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Construction Fund and the remaining portion of the proceeds, together with a portion of the proceeds of the 2011 Bonds, was used to fully pay the tender price to retire the Series 2010 Bonds.

Interest on the Series 2011 Bonds is payable semiannually on April 1st and October 1st and principal payments are due on October 1st, beginning October 1, 2012 with the final payment due on October 1, 2031.

The debt service requirements and interest rates of the Series 2011 Bonds are as follows:

<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	2.00%	\$ 8,650,000	\$ 28,756,800	\$ 37,406,800
2014	2.00	10,510,000	28,565,200	39,075,200
2015	3.00-5.00	10,700,000	28,279,850	38,979,850
2016	3.00-5.00	5,045,000	28,012,275	33,057,275
2017	3.00	4,620,000	27,855,650	32,475,650
2018	3.50-5.00	15,045,000	27,419,000	42,464,000
2019	4.00-5.00	16,750,000	26,652,900	43,402,900
2020	4.00-5.00	18,515,000	25,811,275	44,326,275
2021	3.00-5.00	21,370,000	24,869,900	46,239,900
2022	4.00-5.00	20,340,000	23,882,900	44,222,900
2023	4.00-5.00	21,285,000	22,864,025	44,149,025
2024	5.00	22,310,000	21,775,900	44,085,900
2025	5.00	33,095,000	20,390,775	53,485,775
2026	5.00	42,045,000	18,512,275	60,557,275
2027	4.25-5.00	44,310,000	16,354,881	60,664,881
2028	4.25-5.00	46,600,000	14,085,094	60,685,094
2029	4.25-5.00	52,045,000	11,621,931	63,666,931
2030	4.25-5.00	65,545,000	8,685,144	74,230,144
2031	4.25-5.00	68,820,000	5,329,000	74,149,000
2032	4.25-5.00	72,260,000	1,805,000	74,065,000
		<u>\$ 599,860,000</u>	<u>\$ 411,529,775</u>	<u>\$1,011,389,775</u>

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. 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. For marketing purposes, the 2009 bonds maturing on October 1, 2017 through October 1, 2023 were offered with two different coupon rates and prices producing identical yields. The debt service requirements and interest rates of the Series 2009 Bonds are as follows:

PALM BEACH COUNTY, FLORIDA
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<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	4.00-5.00	22,485,000	12,096,635	34,581,635
2019	4.00-5.25	23,690,000	10,955,991	34,645,991
2020	4.00-5.25	25,025,000	9,732,879	34,757,879
2021	4.25-5.50	26,400,000	8,406,410	34,806,410
2022	4.50-5.25	27,935,000	6,973,166	34,908,166
2023	4.60-5.50	29,525,000	5,437,318	34,962,318
2024	4.75-5.50	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>\$ 259,045,000</u>	<u>\$ 128,024,338</u>	<u>\$ 387,069,338</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:

PALM BEACH COUNTY, FLORIDA
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<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 107,834,722</u>	<u>\$ 239,399,722</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 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	12,003,800	12,006,200	24,010,000
		<u>\$ 38,734,386</u>	<u>\$ 33,985,614</u>	<u>\$ 72,720,000</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Annual Maturities: The aggregate maturities for the outstanding bonds of the SWA, including total interest of \$681,374,449 are as follows:

<u>Year Ending September 30</u>	<u>Revenue Bonds</u>
2013	\$ 60,210,074
2014	61,995,549
2015	86,371,349
2016	80,557,377
2017	80,075,729
2018-2022	430,563,026
2023-2027	474,841,265
2028-2032	<u>435,964,466</u>
	<u>\$1,710,578,835</u>

Interest Expense: Total interest costs incurred on all SWA debt for the year ended September 30, 2012 were \$51,834,051. For the year ended September 30, 2012, interest costs of \$18,677,548 were capitalized on construction in progress and \$33,156,503 was expensed.

Defeased Bonds: In 2012, the SWA defeased \$11,479,972 Refunding Revenue Bonds, Series 1998A, by placing available cash 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. At September 30, 2012, defeased Series 1998A Bonds totaling \$31,689,601 are outstanding.

CHANGES IN NONCURRENT LIABILITIES

Changes in long-term debt for the year ended September 30, 2012 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	\$ 5,028,747	\$ 2,621,719	\$ 2,699,622	\$4,950,844	\$ 369,584
OPEB	327,559	7,440	-	334,999	-
Landfill closure and postclosure care costs	38,534,674	2,106,886	322,759	40,318,801	329,214
Note Payable, Series 2008	68,000,000	-	4,000,000	64,000,000	4,000,000
Accrued interest payable on capital appreciation bonds	33,915,013	4,029,242	13,850,377	24,093,878	-
Revenue Bonds					
Series 2011	-	599,860,000	-	599,860,000	8,650,000
Series 2009	261,545,000	-	2,500,000	259,045,000	2,500,000
Series 2008B	131,565,000	-	-	131,565,000	-
Series 2004	33,935,000	-	33,935,000	-	-
Series 2002B	38,734,386	-	-	38,734,386	-
Series 1998A	<u>14,030,803</u>	<u>-</u>	<u>14,030,803</u>	<u>-</u>	<u>-</u>
Totals	<u>\$625,616,182</u>	<u>\$608,625,287</u>	<u>\$71,338,561</u>	1,162,902,908	<u>\$15,848,798</u>
Unamortized premium and discount, net				45,742,726	
Current maturities				<u>(15,848,798)</u>	
Net long-term debt				<u>\$ 1,192,796,836</u>	

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

14. 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 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

PALM BEACH COUNTY, FLORIDA
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be financially responsible for the environmental assessment and cleanup costs, as well as potential fines imposed by governmental regulatory agencies.

15. PLEDGED REVENUES

The County has pledged a portion of future non-ad valorem revenues to repay \$803 million in revenue bonds, notes and loans issued between July 1, 1990 and June 28, 2012. A ten year history of the pledged revenues is 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 \$1.2 billion with annual requirements ranging from \$11 million in fiscal year 2034 to \$104 million in fiscal year 2014. The pledged non-ad valorem revenues, from which the appropriations will be made, have averaged \$346 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 \$365 million, respectively.

The County has pledged future airport revenues net of specified operating expenses, to repay \$121 million in airport revenue bonds issued between July 3, 2002 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 \$192 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 32% of projected future net revenues. Principal and interest paid for the current year and net operating income before interest expense were \$17 million and \$30 million, respectively.

The County has pledged future water utility revenues net of specified operating expenses, to repay \$189 million in water & sewer revenue bonds issued between June 24, 1998 and July 22, 2009. Proceeds from the bonds provided financing for the addition, improvements and expansion of the water and sewer facilities, equipment and infrastructure. The bonds are payable solely from the water utility net revenues and are payable through October 1, 2040. Total principal and interest remaining to be paid on the bonds is \$325 million with annual requirements ranging from \$211 thousand in fiscal years 2039 and 2040 to \$16 million in fiscal year 2013. 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 \$16 million and \$70 million, respectively.

16. SUBSEQUENT EVENTS

On February 27, 2013, the County issued \$10,032,000 Public Improvement Revenue Bonds (Unified Messaging System Project), Series 2013 for the purpose of financing the cost of

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

upgrading the communications technology available to County employees by replacing the County's existing telephone systems with a modern unified messaging system.

Water Utilities Department

Bond Defeasance - On February 27, 2013, the Water Utilities Department (Department) issued the \$72,430,000 Series 2013 Refunding Revenue Bonds, proceeds of which were used to partially refund the Series 2006A bond issue through an in-substance defeasance whereby the Department placed, into irrevocable trusts, funds sufficient to meet future principal and interest payments. The funds placed in trust have been invested in securities backed by the United States Government. Outstanding principal of the refunding bonds was \$76,260,000. While this transaction resulted in an accounting loss of approximately \$10,073,258, the Department will realize an economic gain of approximately \$6,086,273 due to lower debt service costs for the new bond issue.

Glades Utility Authority Absorption - On March 5, 2013 the acting City Council of the City of South Bay passed a vote ratifying the absorption of the Glades Utility Authority (GUA) by Palm Beach County (County). This represented the final vote needed to move forward with the absorption of the GUA since the absorption was already ratified by Belle Glade and Pahokee.

The absorption was deemed to be in the best interest of the GUA's customers. The GUA was facing an uncertain future due to a progressive deterioration of the GUA's financial stability. As a result, the GUA appears to be at risk of not being able to continue as a going concern without substantial financial assistance from external sources.

Under the absorption, the GUA customer rates would be frozen for the greater of 10 years or until the rates equal the County's; the Cities of Belle Glade, Pahokee, and South Bay would continue to receive host fees; and the County will commit \$25 million over the next 5 years to repair the system. The 10,000 GUA customers will become on-line customers of the Department. Currently the Department bills the GUA monthly as a contractual wholesale water customer for the costs of operating the GUA.

The GUA will have \$47.4 million in outstanding debt obligations at the time of the absorption which will be assumed by the Department. The County will receive all assets at their carrying value less any adjustment for impairment or reduced service utility from the GUA.

The impact on operations cannot be determined but management does not believe it will have a material adverse effect on the Department as a whole.

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, the Fire Rescue Long-Term Disability Plan, and the schedule of funding progress for the Solid Waste Authority's Healthcare Plan (A Component Unit).



PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
General Fund
For the fiscal year ended September 30, 2012
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)	
Revenues:					
Taxes (net of discount)	\$ 656,668,733	\$ 656,668,733	\$ 634,630,927	\$ (22,037,806)	
Licenses and permits	33,712,289	33,712,289	33,026,711	(685,578)	
Intergovernmental	92,846,061	94,059,711	98,899,616	4,839,905	
Charges for services	101,956,963	102,428,092	99,241,491	(3,186,601)	
Fines and forfeitures	1,309,500	1,309,500	1,037,411	(272,089)	
Investment income	10,532,700	10,532,700	9,995,177	(537,523)	
Miscellaneous	5,731,322	5,431,322	7,439,302	2,007,980	
Less 5% anticipated revenues	(45,174,116)	(45,174,116)	-	45,174,116	
Total revenues	857,583,452	858,968,231	884,270,635	25,302,404	
Expenditures:					
Current:					
General government	209,429,769	243,053,720	116,374,364	126,679,356	
Public safety	27,172,671	27,909,133	27,288,892	620,241	
Physical environment	11,792,327	11,722,327	11,066,404	655,923	
Transportation	4,235,000	4,235,000	4,235,000	-	
Economic environment	24,141,038	24,166,588	23,058,293	1,108,295	
Human services	48,600,496	50,026,101	47,617,113	2,408,988	
Culture and recreation	53,393,287	53,337,382	48,206,402	5,130,980	
Capital outlay	193,851	394,117	257,011	137,106	
Total expenditures	378,958,439	414,844,368	278,103,479	136,740,889	
Excess of revenues over expenditures	478,625,013	444,123,863	606,167,156	162,043,293	
Other financing sources (uses):					
Transfers in	6,600,794	19,601,497	43,655,910	24,054,413	
Transfers out	(637,292,737)	(642,423,976)	(634,744,906)	7,679,070	
Total other financing sources (uses)	(630,691,943)	(622,822,479)	(591,088,996)	31,733,483	
Net change in fund balances	(152,066,930)	(178,698,616)	15,078,160	193,776,776	
Fund balances, October 1, 2011	152,066,930	178,698,616	181,597,867	2,899,251	
(Decrease) in nonspendable fund balance	-	-	(241,868)	(241,868)	
Fund balances, September 30, 2012 (budget basis)	\$ -	\$ -	196,434,159	\$ 196,434,159	
Perspective difference between budget basis and GAAP			21,115,863		
Fund balances, September 30, 2012 (GAAP)			\$ 217,550,022		
Reconciliation of Budget to GAAP:					
	Revenues	Expenditures	Transfers in	Transfers out	Net change in fund balance
Board of County Commissioners	\$ 884,270,635	\$ (278,103,479)	\$ 43,655,910	\$ (634,744,906)	\$ 15,078,160
Sheriff	2,113,470	(462,331,326)	478,212,236	(17,889,890)	104,490
Clerk & Comptroller	46,427,075	(54,519,170)	11,850,286	(1,929,119)	1,829,072
Tax Collector	22,005,302	(22,005,302)	-	-	-
Property Appraiser	19,903,317	(19,903,317)	-	-	-
Supervisor of Elections	477,564	(7,493,956)	11,944,590	(4,928,198)	-
Eliminations	-	-	(515,696,197)	515,696,197	-
Totals	\$ 975,197,363	\$ (844,356,550)	\$ 29,966,825	\$ (143,795,916)	\$ 17,011,722

NOTE: The effective legal level of budget control is maintained at the fund/department 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, 2012
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 191,164,728	\$ 191,171,828	\$ 184,661,800	\$ (6,510,028)
Special assessments	281,678	281,678	271,653	(10,025)
Licenses and permits	4,485	4,485	13,020	8,535
Intergovernmental	322,320	402,985	808,734	405,749
Charges for services	34,166,152	34,166,152	32,855,370	(1,310,782)
Investment income	4,375,455	4,392,306	5,076,424	684,118
Miscellaneous	99,500	99,500	330,941	231,441
Less 5% anticipated revenues	(11,227,938)	(11,227,938)	-	11,227,938
Total revenues	219,186,380	219,290,996	224,017,942	4,726,946
Expenditures:				
Current:				
Public safety	326,336,040	335,121,399	227,459,000	107,662,399
Economic environment	498,782	498,782	491,098	7,684
Capital outlay	9,178,924	9,178,924	1,398,513	7,780,411
Total expenditures	336,013,746	344,799,105	229,348,611	115,450,494
Excess of revenues over (under) expenditures	(116,827,366)	(125,508,109)	(5,330,669)	120,177,440
Other financing sources (uses):				
Transfers in	8,009,527	8,097,217	6,457,119	(1,640,098)
Transfers out	(266,390)	(266,390)	(243,767)	22,623
Total other financing sources (uses)	7,743,137	7,830,827	6,213,352	(1,617,475)
Net change in fund balances	(109,084,229)	(117,677,282)	882,683	118,559,965
Fund balances, October 1, 2011	109,084,229	117,677,282	120,196,849	2,519,567
Increase in nonspendable fund balance	-	-	128,696	128,696
Fund balances, September 30, 2012	\$ -	\$ -	\$ 121,208,228	\$ 121,208,228

NOTE: The effective legal level of budget control is maintained at the fund/department 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, 2012
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 154,513,707	\$ 175,778,758	\$ 93,815,427	\$ (81,963,331)
Charges for services	541,577	528,577	591,798	63,221
Investment income	714,760	714,760	642,766	(71,994)
Miscellaneous	990,172	1,046,087	1,533,601	487,514
<hr/>				
Less 5% anticipated revenues	(2,500)	(2,500)	-	2,500
<hr/>				
Total revenues	156,757,716	178,065,682	96,583,592	(81,482,090)
<hr/>				
Expenditures:				
Current:				
General government	-	128,023	-	128,023
Public safety	2,067,910	5,612,988	1,976,029	3,636,959
Physical environment	-	503,000	-	503,000
Transportation	-	145,378	68,088	77,290
Economic environment	122,561,273	136,412,212	63,496,336	72,915,876
Human services	58,435,764	60,768,865	48,595,612	12,173,253
Capital outlay	252,568	1,393,419	541,754	851,665
Debt service	892,771	895,771	513,385	382,386
<hr/>				
Total expenditures	184,210,286	205,859,656	115,191,204	90,668,452
<hr/>				
Excess of revenues over (under) expenditures	(27,452,570)	(27,793,974)	(18,607,612)	9,186,362
<hr/>				
Other financing sources (uses):				
Transfers in	13,979,537	14,353,711	12,932,295	(1,421,416)
Transfers out	(2,459,882)	(5,600,843)	(2,195,492)	3,405,351
Issuance of long-term debt	9,040,000	19,471,000	3,561,000	(15,910,000)
<hr/>				
Total other financing sources (uses)	20,559,655	28,223,868	14,297,803	(13,926,065)
<hr/>				
Net change in fund balances	(6,892,915)	429,894	(4,309,809)	(4,739,703)
<hr/>				
Fund balances, October 1, 2011	6,892,915	(429,894)	(2,433,088)	(2,003,194)
<hr/>				
Fund balances, September 30, 2012	\$ -	\$ -	\$ (6,742,897)	\$ (6,742,897)

NOTE: The effective legal level of budget control is maintained at the fund/department 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)
1/1/10	\$ 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%
1/1/12	57,037,023	88,489,140	31,452,117	64.5%	24,999,674	125.8%

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)
9/30/09	\$ 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%
9/30/11	20,943,102	27,289,591	6,346,489	76.7%	2,223,670	285.4%

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%
	10/1/2011	-	16,267,000	16,267,000	0.0%	241,965,767	6.7%
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%
	10/1/2012	-	1,546,776	1,546,776	0.0%	12,439,356	12.4%
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%
	10/1/2012	-	192,396	192,396	0.0%	11,597,574	1.7%
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%
	10/1/2011	-	6,200,857	6,200,857	0.0%	31,154,225	19.9%
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%
	1/1/2012	-	240,478,000	240,478,000	0.0%	257,194,182	93.5%
Fire Rescue Union	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%	138,684,968	76.7%

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)
10/1/2009	\$ -	\$ 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%
10/1/2011	-	9,276,012	9,276,012	0.0%	138,684,968	6.7%

Solid Waste Authority Healthcare Plan - Component Unit Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
10/1/2007	\$ -	\$ 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, 2012

	BOCC	Sheriff	Clerk & Comptroller	Tax Collector
ASSETS				
Cash, cash equivalents, and investments	\$ 133,727,068	\$ 65,997,003	\$ 20,308,114	\$ 42,129,455
Accounts receivable, net	10,189,456	294,496	162,804	6,578
Due from other county funds	86,841,783	4,618	591,953	-
Due from other governments	7,969,891	2,562,009	491,980	612
Due from component unit	418,217	-	-	-
Inventory	2,657,383	2,976,766	-	-
Other assets	3,330	177,078	-	34,603
Loans receivable, noncurrent	6,000,000	-	-	-
Total assets	\$ 247,807,128	\$ 72,011,970	\$ 21,554,851	\$ 42,171,248
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 9,904,284	\$ 21,266,518	\$ 3,070,155	\$ 837,071
Due to other county funds	15,796,670	26,397,271	2,943,520	31,052,467
Due to other governments	301,863	6,102,810	629,022	4,558,517
Due to component unit	6,711,734	-	-	4,861,618
Due to individuals	-	2,592	360,000	25,044
Insurance claims payable	-	1,834,775	-	-
Deferred revenue	18,325,962	-	-	836,531
Other liabilities	332,456	9,335,418	508,877	-
Total liabilities	51,372,969	64,939,384	7,511,574	42,171,248
FUND BALANCE				
Non-Spendable				
Inventory	2,657,383	2,976,766	-	-
Prepaid Items	3,000	52,738	-	29,393
Spendable				
Restricted	-	3,605,657	14,043,277	-
Assigned	-	437,425	-	-
Unassigned	193,773,776	-	-	(29,393)
Total fund balance	196,434,159	7,072,586	14,043,277	-
Total liabilities and fund balance	\$ 247,807,128	\$ 72,011,970	\$ 21,554,851	\$ 42,171,248

Property Appraiser	Supervisor of Elections	Total	Eliminate Intra-Entity Balances	Adjusted Totals
\$ 2,359,271	\$ 5,177,701	\$ 269,698,612	\$ -	\$ 269,698,612
-	46,626	10,699,960	-	10,699,960
-	-	87,438,354	(54,851,363)	32,586,991
-	-	11,024,492	-	11,024,492
-	-	418,217	-	418,217
-	-	5,634,149	-	5,634,149
-	43,330	258,341	-	258,341
-	-	6,000,000	-	6,000,000
<u>\$ 2,359,271</u>	<u>\$ 5,267,657</u>	<u>\$ 391,172,125</u>	<u>\$ (54,851,363)</u>	<u>\$ 336,320,762</u>
\$ 579,320	\$ 267,602	\$ 35,924,950	\$ -	\$ 35,924,950
1,561,926	4,979,189	82,731,043	(54,851,363)	27,879,680
218,025	12,435	11,822,672	-	11,822,672
-	-	11,573,352	-	11,573,352
-	-	387,636	-	387,636
-	-	1,834,775	-	1,834,775
-	8,431	19,170,924	-	19,170,924
-	-	10,176,751	-	10,176,751
<u>2,359,271</u>	<u>5,267,657</u>	<u>173,622,103</u>	<u>(54,851,363)</u>	<u>118,770,740</u>
-	-	5,634,149	-	5,634,149
-	43,330	128,461	-	128,461
-	-	17,648,934	-	17,648,934
-	-	437,425	-	437,425
-	(43,330)	193,701,053	-	193,701,053
-	-	217,550,022	-	217,550,022
<u>\$ 2,359,271</u>	<u>\$ 5,267,657</u>	<u>\$ 391,172,125</u>	<u>\$ (54,851,363)</u>	<u>\$ 336,320,762</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, 2012

	BOCC	Sheriff	Clerk & Comptroller	Tax Collector
Revenues:				
Taxes (net of discount)	\$ 634,630,927	\$ -	\$ -	\$ -
Licenses and permits	33,026,711	-	-	-
Intergovernmental	98,899,616	-	34,301,847	-
Charges for services	99,241,491	1,628,499	10,550,630	59,433,347
Less - excess fees paid out	-	-	-	(37,714,240)
Fines and forfeitures	1,037,411	171,260	1,574,319	-
Investment income	9,995,177	126,255	269	286,195
Miscellaneous	7,439,302	187,456	10	-
Total revenues	884,270,635	2,113,470	46,427,075	22,005,302
Expenditures:				
Current:				
General government	116,374,364	22,417,996	53,274,609	21,655,720
Public safety	27,288,892	416,800,782	-	-
Physical environment	11,066,404	-	-	-
Transportation	4,235,000	-	-	-
Economic environment	23,058,293	-	-	-
Human services	47,617,113	-	-	-
Culture and recreation	48,206,402	-	-	-
Capital outlay	257,011	23,112,548	1,244,561	349,582
Total expenditures	278,103,479	462,331,326	54,519,170	22,005,302
Excess of revenues over (under) expenditures	606,167,156	(460,217,856)	(8,092,095)	-
Other financing sources (uses):				
Transfers in	43,655,910	478,212,236	11,850,286	-
Transfers out	(634,744,906)	(17,889,890)	(1,929,119)	-
Total other financing sources (uses)	(591,088,996)	460,322,346	9,921,167	-
Net change in fund balances	15,078,160	104,490	1,829,072	-
Fund balances, October 1, 2011	181,597,867	6,968,096	12,214,205	-
(Decrease) in nonspendable fund balance	(241,868)	-	-	-
Fund balances, September 30, 2012	\$ 196,434,159	\$ 7,072,586	\$ 14,043,277	\$ -

Property Appraiser	Supervisor of Elections	Total	Eliminate Intra-Entity Balances	Adjusted Totals
\$ -	\$ -	\$ 634,630,927	\$ -	\$ 634,630,927
-	-	33,026,711	-	33,026,711
-	138,100	133,339,563	-	133,339,563
21,625,425	324,143	192,803,535	-	192,803,535
(1,731,003)	-	(39,445,243)	-	(39,445,243)
-	-	2,782,990	-	2,782,990
8,895	15,321	10,432,112	-	10,432,112
-	-	7,626,768	-	7,626,768
19,903,317	477,564	975,197,363	-	975,197,363
19,585,044	7,486,124	240,793,857	-	240,793,857
-	-	444,089,674	-	444,089,674
-	-	11,066,404	-	11,066,404
-	-	4,235,000	-	4,235,000
-	-	23,058,293	-	23,058,293
-	-	47,617,113	-	47,617,113
-	-	48,206,402	-	48,206,402
318,273	7,832	25,289,807	-	25,289,807
19,903,317	7,493,956	844,356,550	-	844,356,550
-	(7,016,392)	130,840,813	-	130,840,813
-	11,944,590	545,663,022	(515,696,197)	29,966,825
-	(4,928,198)	(659,492,113)	515,696,197	(143,795,916)
-	7,016,392	(113,829,091)	-	(113,829,091)
-	-	17,011,722	-	17,011,722
-	-	200,780,168	-	200,780,168
-	-	(241,868)	-	(241,868)
\$ -	\$ -	\$ 217,550,022	\$ -	\$ 217,550,022

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 656,668,733	\$ 656,668,733	\$ 634,630,927	\$ (22,037,806)
Licenses and permits	33,712,289	33,712,289	33,026,711	(685,578)
Intergovernmental	92,846,061	94,059,711	98,899,616	4,839,905
Charges for services	101,956,963	102,428,092	99,241,491	(3,186,601)
Fines and forfeitures	1,309,500	1,309,500	1,037,411	(272,089)
Investment income	10,532,700	10,532,700	9,995,177	(537,523)
Miscellaneous	5,731,322	5,431,322	7,439,302	2,007,980
Less 5% anticipated revenues	(45,174,116)	(45,174,116)	-	45,174,116
Total revenues	857,583,452	858,968,231	884,270,635	25,302,404
Expenditures:				
Current:				
General government	209,429,769	243,053,720	116,374,364	126,679,356
Public safety	27,172,671	27,909,133	27,288,892	620,241
Physical environment	11,792,327	11,722,327	11,066,404	655,923
Transportation	4,235,000	4,235,000	4,235,000	-
Economic environment	24,141,038	24,166,588	23,058,293	1,108,295
Human services	48,600,496	50,026,101	47,617,113	2,408,988
Culture and recreation	53,393,287	53,337,382	48,206,402	5,130,980
Capital outlay	193,851	394,117	257,011	137,106
Total expenditures	378,958,439	414,844,368	278,103,479	136,740,889
Excess of revenues over (under) expenditures	478,625,013	444,123,863	606,167,156	162,043,293
Other financing sources (uses):				
Transfers in	6,600,794	19,601,497	43,655,910	24,054,413
Transfers out	(637,292,737)	(642,423,976)	(634,744,906)	7,679,070
Total other financing sources (uses)	(630,691,943)	(622,822,479)	(591,088,996)	31,733,483
Net change in fund balances	(152,066,930)	(178,698,616)	15,078,160	193,776,776
Fund balances, October 1, 2011	152,066,930	178,698,616	181,597,867	2,899,251
(Decrease) in reserves, inventory	-	-	(241,868)	(241,868)
Fund balances, September 30, 2012	\$ -	\$ -	\$ 196,434,159	\$ 196,434,159

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 1,628,499	\$ 1,628,499
Fines and forfeitures	-	-	171,260	171,260
Investment income	-	-	126,255	126,255
Miscellaneous	-	-	187,456	187,456
Total revenues	-	-	2,113,470	2,113,470
Expenditures:				
Current:				
General government	23,048,837	23,174,555	22,417,996	756,559
Public safety	441,604,110	433,061,616	416,800,782	16,260,834
Capital outlay	3,308,024	23,720,140	23,112,548	607,592
Total expenditures	467,960,971	479,956,311	462,331,326	17,624,985
Excess of revenues over (under) expenditures	(467,960,971)	(479,956,311)	(460,217,856)	19,738,455
Other financing sources (uses):				
Transfers in	467,960,971	479,956,311	478,212,236	(1,744,075)
Transfers out	-	-	(17,889,890)	(17,889,890)
Total other financing sources (uses)	467,960,971	479,956,311	460,322,346	(19,633,965)
Net change in fund balances	-	-	104,490	104,490
Fund balances, October 1, 2011	-	-	6,968,096	6,968,096
Fund balances, September 30, 2012	\$ -	\$ -	\$ 7,072,586	\$ 7,072,586

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 34,170,148	\$ 34,188,698	\$ 34,301,847	\$ 113,149
Charges for services	8,346,301	10,511,766	10,550,630	38,864
Fines and forfeitures	1,767,921	1,767,921	1,574,319	(193,602)
Investment income	12,778	12,778	269	(12,509)
Miscellaneous	-	-	10	10
Total revenues	44,297,148	46,481,163	46,427,075	(54,088)
Expenditures:				
Current:				
General government	60,502,852	57,468,731	53,274,609	4,194,122
Capital outlay	1,211,786	1,369,172	1,244,561	124,611
Total expenditures	61,714,638	58,837,903	54,519,170	4,318,733
Excess of revenues over (under) expenditures	(17,417,490)	(12,356,740)	(8,092,095)	4,264,645
Other financing sources (uses):				
Transfers in	16,977,615	16,977,615	11,850,286	(5,127,329)
Transfers out	(5,406,854)	(5,406,854)	(1,929,119)	3,477,735
Total other financing sources (uses)	11,570,761	11,570,761	9,921,167	(1,649,594)
Net change in fund balances	(5,846,729)	(785,979)	1,829,072	2,615,051
Fund balances, October 1, 2011	12,214,205	12,214,205	12,214,205	-
Fund balances, September 30, 2012	\$ 6,367,476	\$ 11,428,226	\$ 14,043,277	\$ 2,615,051

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 58,998,800	\$ 58,998,800	\$ 59,433,347	\$ 434,547
Less - excess fees paid out	(35,190,279)	(35,118,306)	(37,714,240)	(2,595,934)
Investment income	65,000	65,000	286,195	221,195
Total revenues	23,873,521	23,945,494	22,005,302	(1,940,192)
Expenditures:				
Current:				
General government	23,228,280	23,300,253	21,655,720	1,644,533
Capital outlay	645,241	645,241	349,582	295,659
Total expenditures	23,873,521	23,945,494	22,005,302	1,940,192
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2011	-	-	-	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ -	\$ -

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 21,572,104	\$ 21,572,104	\$ 21,625,425	\$ 53,321
Less - excess fees paid out	-	-	(1,731,003)	(1,731,003)
Investment income	-	-	8,895	8,895
Total revenues	21,572,104	21,572,104	19,903,317	(1,668,787)
Expenditures:				
Current:				
General government	21,563,254	21,269,254	19,585,044	1,684,210
Capital outlay	8,850	302,850	318,273	(15,423)
Total expenditures	21,572,104	21,572,104	19,903,317	1,668,787
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2011	-	-	-	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ -	\$ -

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 138,100	\$ 138,100
Charges for services	150,000	150,000	324,143	174,143
Investment income	5,000	5,000	15,321	10,321
Total revenues	155,000	155,000	477,564	322,564
Expenditures:				
Current:				
General government	11,726,160	11,726,160	7,486,124	4,240,036
Capital outlay	441,180	373,430	7,832	365,598
Total expenditures	12,167,340	12,099,590	7,493,956	4,605,634
Excess of revenues over (under) expenditures	(12,012,340)	(11,944,590)	(7,016,392)	4,928,198
Other financing sources (uses):				
Transfers in	12,012,340	11,944,590	11,944,590	-
Transfers out	-	-	(4,928,198)	(4,928,198)
Total other financing sources (uses)	12,012,340	11,944,590	7,016,392	(4,928,198)
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2011	-	-	-	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ -	\$ -



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, 2012

	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, cash equivalents, and investments	\$ 27,000,391	\$ -	\$ 3,844,998	\$ 8,775,243
Accounts receivable, net	164,013	-	6,585	14,070
Due from other county funds	-	7,832,268	556,355	292,354
Due from other governments	-	1,136,238	3,315,203	-
Inventory	-	-	1,999,665	-
Other assets	613,636	-	-	-
Other receivable, noncurrent	2,750,000	-	-	-
Total assets	\$ 30,528,040	\$ 8,968,506	\$ 9,722,806	\$ 9,081,667
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 2,057,129	\$ 115,531	\$ 811,060	\$ 129,533
Due to other county funds	690,859	4,823,130	577,096	58,658
Due to other governments	7	197,536	6,570	67
Due to component unit	-	-	10,339	-
Due to individuals	-	-	-	-
Deferred and unearned revenue	2,750,000	1,662,205	107,301	-
Other liabilities	-	-	-	-
Total liabilities	5,497,995	6,798,402	1,512,366	188,258
FUND BALANCE				
Non-Spendable				
Inventory	-	-	1,999,665	-
Prepaid items	13,636	-	-	-
Spendable				
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Library services	-	-	-	-
Tourist development programs	20,852,839	-	-	-
Grant programs	-	2,758,302	-	-
Environmental protection programs	-	-	-	-
Public safety and judicial programs	-	-	-	-
Other services and programs	-	-	2,714,263	8,893,409
Assigned to:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Tourist development programs	4,163,570	-	-	-
Other services and programs	-	-	3,496,512	-
Unassigned	-	(588,198)	-	-
Total fund balance	25,030,045	2,170,104	8,210,440	8,893,409
Total liabilities and fund balance	\$ 30,528,040	\$ 8,968,506	\$ 9,722,806	\$ 9,081,667

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
\$ 12,958,416	\$ 1,508,114	\$ 2,000	\$ 71,675,674	\$ 125,764,836
5,489	19,015	98,828	28,552	336,552
1,328,737	141,500	3,730,880	904,920	14,787,014
-	-	3,438,500	3,735,063	11,625,004
-	-	1,887,312	50,925	3,937,902
-	-	-	6,350	619,986
-	-	-	-	2,750,000
<u>\$ 14,292,642</u>	<u>\$ 1,668,629</u>	<u>\$ 9,157,520</u>	<u>\$ 76,401,484</u>	<u>\$ 159,821,294</u>
\$ 671,609	\$ 790	\$ 2,732,453	\$ 1,487,519	\$ 8,005,624
99,838	35,683	4,225,695	776,336	11,287,295
599	-	19,135	608,581	832,495
-	-	23	122,923	133,285
-	147,938	-	1,000	148,938
-	9,050	2,095,810	2,779,548	9,403,914
-	689	-	6	695
<u>772,046</u>	<u>194,150</u>	<u>9,073,116</u>	<u>5,775,913</u>	<u>29,812,246</u>
-	-	1,887,312	50,925	3,937,902
-	-	-	-	13,636
-	-	-	-	-
-	-	-	-	-
13,520,596	-	-	-	13,520,596
-	-	-	-	20,852,839
-	1,474,479	-	27,484,278	31,717,059
-	-	-	11,769,002	11,769,002
-	-	-	12,770,231	12,770,231
-	-	-	14,254,730	25,862,402
-	-	-	-	-
-	-	-	-	-
-	-	-	-	4,163,570
-	-	-	4,296,405	7,792,917
-	-	(1,802,908)	-	(2,391,106)
<u>13,520,596</u>	<u>1,474,479</u>	<u>84,404</u>	<u>70,625,571</u>	<u>130,009,048</u>
<u>\$ 14,292,642</u>	<u>\$ 1,668,629</u>	<u>\$ 9,157,520</u>	<u>\$ 76,401,484</u>	<u>\$ 159,821,294</u>

PALM BEACH COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012

	General Obligation Bonds Debt Service	Revenue Bonds Debt Service	Other Financing Debt Service	Total Debt Service Funds	Criminal Justice Capital Projects
ASSETS					
Cash, cash equivalents, and investments	\$ 1,141,228	\$ 26,087,935	\$ 247,103	\$ 27,476,266	\$ 32,282,209
Accounts receivable, net	-	-	-	-	164
Due from other county funds	-	-	-	-	-
Due from other governments	-	-	-	-	3,828
Inventory	-	-	-	-	-
Other assets	-	-	-	-	-
Other receivable, noncurrent	-	460,000	-	460,000	-
Total assets	\$ 1,141,228	\$ 26,547,935	\$ 247,103	\$ 27,936,266	\$ 32,286,201
LIABILITIES					
Vouchers payable and accrued liabilities	\$ -	\$ 219,040	\$ -	\$ 219,040	\$ 1,032,221
Due to other county funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to component unit	-	-	-	-	-
Due to individuals	-	-	-	-	-
Deferred and unearned revenue	-	460,000	-	460,000	-
Other liabilities	-	-	-	-	-
Total liabilities	-	679,040	-	679,040	1,032,221
FUND BALANCE					
Non-Spendable					
Inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
Spendable					
Restricted for:					
Debt service	1,141,228	25,868,895	-	27,010,123	-
Capital projects	-	-	-	-	31,253,980
Library services	-	-	-	-	-
Tourist development programs	-	-	-	-	-
Grant programs	-	-	-	-	-
Environmental protection programs	-	-	-	-	-
Public safety and judicial programs	-	-	-	-	-
Other services and programs	-	-	-	-	-
Assigned to:					
Debt service	-	-	247,103	247,103	-
Capital projects	-	-	-	-	-
Tourist development programs	-	-	-	-	-
Other services and programs	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance	1,141,228	25,868,895	247,103	27,257,226	31,253,980
Total liabilities and fund balance	\$ 1,141,228	\$ 26,547,935	\$ 247,103	\$ 27,936,266	\$ 32,286,201

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
\$ 17,566,701	\$ 37,769,477	\$ 24,374,683	\$ 39,130,144	\$ 9,635,750	\$ 160,758,964	\$ 314,000,066
-	510	206	2,196	6,333,788	6,336,864	6,673,416
814,574	-	-	-	3,758	818,332	15,605,346
1,140,075	18,170	5,990	69,939	-	1,238,002	12,863,006
-	-	-	-	-	-	3,937,902
-	200	-	-	-	200	620,186
-	-	-	-	-	-	3,210,000
\$ 19,521,350	\$ 37,788,357	\$ 24,380,879	\$ 39,202,279	\$ 15,973,296	\$ 169,152,362	\$ 356,909,922
\$ 105,660	\$ 1,303,285	\$ 648,373	\$ 680,550	\$ 102,264	\$ 3,872,353	\$ 12,097,017
-	-	-	-	-	-	11,287,295
-	-	-	-	-	-	832,495
-	-	-	-	-	-	133,285
-	-	-	-	-	-	148,938
855,268	-	-	-	6,333,788	7,189,056	17,052,970
10,000	-	-	-	-	10,000	10,695
970,928	1,303,285	648,373	680,550	6,436,052	11,071,409	41,562,695
-	-	-	-	-	-	3,937,902
-	-	-	-	-	-	13,636
-	-	-	-	-	-	27,010,123
6,177,315	36,485,072	23,732,506	37,450,286	3,544,428	138,643,587	138,643,587
-	-	-	-	-	-	13,520,596
-	-	-	-	-	-	20,852,839
-	-	-	-	-	-	31,717,059
-	-	-	-	-	-	11,769,002
-	-	-	-	-	-	12,770,231
-	-	-	-	-	-	25,862,402
-	-	-	-	-	-	247,103
12,373,107	-	-	1,071,443	5,992,816	19,437,366	19,437,366
-	-	-	-	-	-	4,163,570
-	-	-	-	-	-	7,792,917
-	-	-	-	-	-	(2,391,106)
18,550,422	36,485,072	23,732,506	38,521,729	9,537,244	158,080,953	315,347,227
\$ 19,521,350	\$ 37,788,357	\$ 24,380,879	\$ 39,202,279	\$ 15,973,296	\$ 169,152,362	\$ 356,909,922

PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2012

	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)	\$ 28,821,659	\$ -	\$ 4,233,192	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	9,960	11,857,040
Intergovernmental	250,000	7,121,434	16,565,879	16,499
Charges for services	3,132,214	-	1,002,102	943,248
Fines and forfeitures	-	698,084	-	6,061
Investment income	552,522	50,988	196,551	172,058
Miscellaneous	11,950	38,125	2,006,463	254
Total revenues	32,768,345	7,908,631	24,014,147	12,995,160
Expenditures:				
Current:				
General government	-	1,224,950	-	-
Public safety	-	228,601	975	9,389,577
Physical environment	-	-	-	-
Transportation	-	-	32,824,620	-
Economic environment	20,250,816	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	1,432	602,176	27,456
Debt service	-	-	-	-
Total expenditures	20,250,816	1,454,983	33,427,771	9,417,033
Excess of revenues over (under) expenditures	12,517,529	6,453,648	(9,413,624)	3,578,127
Other financing sources (uses):				
Transfers in	-	142,650	3,883,823	318,582
Transfers out	(8,817,057)	(7,644,699)	(100,576)	-
Issuance of refunding debt	-	-	-	-
Premium on refunding debt	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
Total other financing sources (uses)	(8,817,057)	(7,502,049)	3,783,247	318,582
Net change in fund balances	3,700,472	(1,048,401)	(5,630,377)	3,896,709
Fund balances, October 1, 2011	21,329,573	3,218,505	14,208,276	4,996,700
Increase (decrease) in nonspendable fund balance	-	-	(367,459)	-
Fund balances, September 30, 2012	\$ 25,030,045	\$ 2,170,104	\$ 8,210,440	\$ 8,893,409

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
\$ 35,767,680	\$ -	\$ 32,039,990	\$ 36,096	\$ 100,898,617
-	-	-	12,478,238	12,478,238
27,300	-	30,548	5,133,285	17,058,133
1,031,219	794,222	34,566,504	5,949,851	66,295,608
2,778	-	11,915,931	14,892,245	31,888,518
585,708	-	-	3,132,196	4,422,049
694,604	127,529	6,260	1,848,018	3,648,530
160,725	261,285	1,360,493	1,983,019	5,822,314
<u>38,270,014</u>	<u>1,183,036</u>	<u>79,919,726</u>	<u>45,452,948</u>	<u>242,512,007</u>
-	-	-	7,115,482	8,340,432
-	-	-	10,103,264	19,722,417
-	-	-	12,666,877	12,666,877
-	-	79,078,036	334,658	112,237,314
-	6,883,486	-	360,527	27,494,829
-	-	-	454,720	454,720
34,390,556	-	-	5,909,453	40,300,009
3,920,478	-	14,737,106	3,390,678	22,679,326
-	-	-	-	-
<u>38,311,034</u>	<u>6,883,486</u>	<u>93,815,142</u>	<u>40,335,659</u>	<u>243,895,924</u>
(41,020)	(5,700,450)	(13,895,416)	5,117,289	(1,383,917)
3,020,267	141,500	16,288,125	3,074,661	26,869,608
(9,937)	-	(63,426)	(5,880,355)	(22,516,050)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,010,330</u>	<u>141,500</u>	<u>16,224,699</u>	<u>(2,805,694)</u>	<u>4,353,558</u>
2,969,310	(5,558,950)	2,329,283	2,311,595	2,969,641
10,551,286	7,033,429	(2,227,695)	68,311,072	127,421,146
-	-	(17,184)	2,904	(381,739)
<u>\$ 13,520,596</u>	<u>\$ 1,474,479</u>	<u>\$ 84,404</u>	<u>\$ 70,625,571</u>	<u>\$ 130,009,048</u>

PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2012

	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)	\$ 29,227,809	\$ -	\$ -	\$ 29,227,809	\$ -
Special assessments	-	-	-	-	333,503
Licenses and permits	-	-	-	-	-
Intergovernmental	279	-	-	279	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	421,041	647,466	12,464	1,080,971	1,084,836
Miscellaneous	-	119,088	-	119,088	-
Total revenues	29,649,129	766,554	12,464	30,428,147	1,418,339
Expenditures:					
Current:					
General government	-	-	-	-	332
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	14,131,288
Debt service	30,073,697	100,977,812	855,637	131,907,146	220,898
Total expenditures	30,073,697	100,977,812	855,637	131,907,146	14,352,518
Excess of revenues over (under) expenditures	(424,568)	(100,211,258)	(843,173)	(101,478,999)	(12,934,179)
Other financing sources (uses):					
Transfers in	375,659	96,163,836	16,569,381	113,108,876	-
Transfers out	(65,059)	(15,988,903)	-	(16,053,962)	(4,543,970)
Issuance of refunding debt	-	163,189,340	-	163,189,340	-
Premium on refunding debt	-	28,470,407	-	28,470,407	-
Payment to escrow agent for refunding	-	(174,859,953)	(16,140,760)	(191,000,713)	-
Total other financing sources (uses)	310,600	96,974,727	428,621	97,713,948	(4,543,970)
Net change in fund balances	(113,968)	(3,236,531)	(414,552)	(3,765,051)	(17,478,149)
Fund balances, October 1, 2011	1,255,196	29,105,426	661,655	31,022,277	48,732,129
Increase (decrease) in nonspendable fund balance	-	-	-	-	-
Fund balances, September 30, 2012	\$ 1,141,228	\$ 25,868,895	\$ 247,103	\$ 27,257,226	\$ 31,253,980

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
\$ -	\$ -	\$ -	\$ 12,643	\$ -	\$ 12,643	\$ 130,139,069
-	1,086,038	534,161	3,505,794	537,338	5,996,834	18,475,072
-	-	-	363,163	-	363,163	17,421,296
5,039,144	-	50,000	2,310,702	-	7,399,846	73,695,733
77,030	-	-	340	-	77,370	31,965,888
10,170	-	-	-	-	10,170	4,432,219
458,388	998,065	774,332	962,857	522,331	4,800,809	9,530,310
2,221,844	1,750,000	2,990	111,460	10	4,086,304	10,027,706
<u>7,806,576</u>	<u>3,834,103</u>	<u>1,361,483</u>	<u>7,266,959</u>	<u>1,059,679</u>	<u>22,747,139</u>	<u>295,687,293</u>
-	-	-	-	-	332	8,340,764
196,542	1,689,499	-	-	-	1,886,041	21,608,458
3,657,773	-	-	-	-	3,657,773	16,324,650
-	-	-	-	154,902	154,902	112,392,216
-	-	-	2,316	-	2,316	27,497,145
-	-	-	-	-	-	454,720
-	-	1,066,835	1,148,131	-	2,214,966	42,514,975
2,854,695	9,003,991	11,500,068	3,917,728	811,657	42,219,427	64,898,753
-	-	-	-	-	220,898	132,128,044
<u>6,709,010</u>	<u>10,693,490</u>	<u>12,566,903</u>	<u>5,068,175</u>	<u>966,559</u>	<u>50,356,655</u>	<u>426,159,725</u>
<u>1,097,566</u>	<u>(6,859,387)</u>	<u>(11,205,420)</u>	<u>2,198,784</u>	<u>93,120</u>	<u>(27,609,516)</u>	<u>(130,472,432)</u>
3,152,655	-	-	933,506	-	4,086,161	144,064,645
(2,241,945)	-	(2,200,000)	-	-	(8,985,915)	(47,555,927)
-	-	-	-	-	-	163,189,340
-	-	-	-	-	-	28,470,407
-	-	-	-	-	-	(191,000,713)
<u>910,710</u>	<u>-</u>	<u>(2,200,000)</u>	<u>933,506</u>	<u>-</u>	<u>(4,899,754)</u>	<u>97,167,752</u>
<u>2,008,276</u>	<u>(6,859,387)</u>	<u>(13,405,420)</u>	<u>3,132,290</u>	<u>93,120</u>	<u>(32,509,270)</u>	<u>(33,304,680)</u>
<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>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(381,739)</u>
<u>\$ 18,550,422</u>	<u>\$ 36,485,072</u>	<u>\$ 23,732,506</u>	<u>\$ 38,521,729</u>	<u>\$ 9,537,244</u>	<u>\$ 158,080,953</u>	<u>\$ 315,347,227</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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 25,113,870	\$ 25,113,870	\$ 28,821,659	\$ 3,707,789
Intergovernmental	250,000	250,000	250,000	-
Charges for services	3,507,639	3,507,639	3,132,214	(375,425)
Investment income	746,518	746,518	552,522	(193,996)
Miscellaneous	-	-	11,950	11,950
Less 5% anticipated revenues	(1,480,901)	(1,480,901)	-	1,480,901
Total revenues	28,137,126	28,137,126	32,768,345	4,631,219
Expenditures:				
Current:				
Economic environment	38,140,275	40,649,641	20,250,816	20,398,825
Total expenditures	38,140,275	40,649,641	20,250,816	20,398,825
Excess of revenues over (under) expenditures	(10,003,149)	(12,512,515)	12,517,529	25,030,044
Other financing sources (uses):				
Transfers out	(9,038,760)	(8,817,057)	(8,817,057)	-
Total other financing sources (uses)	(9,038,760)	(8,817,057)	(8,817,057)	-
Net change in fund balances	(19,041,909)	(21,329,572)	3,700,472	25,030,044
Fund balances, October 1, 2011	19,041,909	21,329,572	21,329,573	1
Fund balances, September 30, 2012	\$ -	\$ -	\$ 25,030,045	\$ 25,030,045

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 5,740,301	\$ 13,821,308	\$ 7,121,434	\$ (6,699,874)
Fines and forfeitures	-	-	698,084	698,084
Investment income	69,545	69,545	50,988	(18,557)
Miscellaneous	9,410	38,125	38,125	-
Total revenues	5,819,256	13,928,978	7,908,631	(6,020,347)
Expenditures:				
Current:				
General government	3,909,697	4,064,234	1,224,950	2,839,284
Public safety	175,841	381,355	228,601	152,754
Capital outlay	-	1,434	1,432	2
Total expenditures	4,085,538	4,447,023	1,454,983	2,992,040
Excess of revenues over (under) expenditures	1,733,718	9,481,955	6,453,648	(3,028,307)
Other financing sources (uses):				
Transfers in	16,750	300,549	142,650	(157,899)
Transfers out	(4,336,128)	(13,001,009)	(7,644,699)	5,356,310
Total other financing sources (uses)	(4,319,378)	(12,700,460)	(7,502,049)	5,198,411
Net change in fund balances	(2,585,660)	(3,218,505)	(1,048,401)	2,170,104
Fund balances, October 1, 2011	2,585,660	3,218,505	3,218,505	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ 2,170,104	\$ 2,170,104

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 1,000	\$ 3,857,227	\$ 4,233,192	\$ 375,965
Licenses and permits	20,000	20,000	9,960	(10,040)
Intergovernmental	17,215,206	17,215,206	16,565,879	(649,327)
Charges for services	1,301,000	1,301,000	1,002,102	(298,898)
Investment income	343,000	343,000	196,551	(146,449)
Miscellaneous	4,298,730	4,298,730	2,006,463	(2,292,267)
Less 5% anticipated revenues	(1,026,950)	(1,026,950)	-	1,026,950
Total revenues	22,151,986	26,008,213	24,014,147	(1,994,066)
Expenditures:				
Current:				
Public safety	-	-	975	(975)
Transportation	39,043,218	39,137,689	32,824,620	6,313,069
Capital outlay	3,449,573	3,449,573	602,176	2,847,397
Total expenditures	42,492,791	42,587,262	33,427,771	9,159,491
Excess of revenues over (under) expenditures	(20,340,805)	(16,579,049)	(9,413,624)	7,165,425
Other financing sources (uses):				
Transfers in	8,814,358	4,839,953	3,883,823	(956,130)
Transfers out	(102,056)	(102,056)	(100,576)	1,480
Total other financing sources (uses)	8,712,302	4,737,897	3,783,247	(954,650)
Net change in fund balances	(11,628,503)	(11,841,152)	(5,630,377)	6,210,775
Fund balances, October 1, 2011	11,628,503	11,841,152	14,208,276	2,367,124
Increase (decrease) in nonspendable fund balance	-	-	(367,459)	(367,459)
Fund balances, September 30, 2012	\$ -	\$ -	\$ 8,210,440	\$ 8,210,440

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 10,251,500	\$ 10,251,500	\$ 11,857,040	\$ 1,605,540
Intergovernmental	-	-	16,499	16,499
Charges for services	576,200	576,200	943,248	367,048
Fines and forfeitures	500	500	6,061	5,561
Investment income	80,100	80,100	172,058	91,958
Miscellaneous	320	320	254	(66)
Less 5% anticipated revenues	(545,431)	(545,431)	-	545,431
Total revenues	10,363,189	10,363,189	12,995,160	2,631,971
Expenditures:				
Current:				
Public safety	13,652,244	15,635,786	9,389,577	6,246,209
Capital outlay	30,000	30,000	27,456	2,544
Total expenditures	13,682,244	15,665,786	9,417,033	6,248,753
Excess of revenues over (under) expenditures	(3,319,055)	(5,302,597)	3,578,127	8,880,724
Other financing sources (uses):				
Transfers in	26,228	318,582	318,582	-
Transfers out	(12,685)	(12,685)	-	12,685
Total other financing sources (uses)	13,543	305,897	318,582	12,685
Net change in fund balances	(3,305,512)	(4,996,700)	3,896,709	8,893,409
Fund balances, October 1, 2011	3,305,512	4,996,700	4,996,700	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ 8,893,409	\$ 8,893,409

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 37,208,595	\$ 37,208,595	\$ 35,767,680	\$ (1,440,915)
Licenses and permits	25,000	25,000	27,300	2,300
Intergovernmental	1,006,270	1,030,439	1,031,219	780
Charges for services	1,150	1,150	2,778	1,628
Fines and forfeitures	450,000	450,000	585,708	135,708
Investment income	230,000	230,000	694,604	464,604
Miscellaneous	268,023	268,023	160,725	(107,298)
Less 5% anticipated revenues	(1,909,229)	(1,909,229)	-	1,909,229
Total revenues	37,279,809	37,303,978	38,270,014	966,036
Expenditures:				
Current:				
Culture and recreation	43,491,729	46,827,342	34,390,556	12,436,786
Capital outlay	4,038,252	4,038,252	3,920,478	117,774
Total expenditures	47,529,981	50,865,594	38,311,034	12,554,560
Excess of revenues over (under) expenditures	(10,250,172)	(13,561,616)	(41,020)	13,520,596
Other financing sources (uses):				
Transfers in	2,204,350	3,020,267	3,020,267	-
Transfers out	(9,937)	(9,937)	(9,937)	-
Total other financing sources (uses)	2,194,413	3,010,330	3,010,330	-
Net change in fund balances	(8,055,759)	(10,551,286)	2,969,310	13,520,596
Fund balances, October 1, 2011	8,055,759	10,551,286	10,551,286	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ 13,520,596	\$ 13,520,596

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 794,222	\$ 794,222	\$ -
Investment income	110,000	110,000	127,529	17,529
Miscellaneous	40,000	40,000	261,285	221,285
Total revenues	150,000	944,222	1,183,036	238,814
Expenditures:				
Current:				
Economic environment	5,009,609	8,119,171	6,883,486	1,235,685
Total expenditures	5,009,609	8,119,171	6,883,486	1,235,685
Excess of revenues over (under) expenditures	(4,859,609)	(7,174,949)	(5,700,450)	1,474,499
Other financing sources (uses):				
Transfers in	141,520	141,520	141,500	(20)
Total other financing sources (uses)	141,520	141,520	141,500	(20)
Net change in fund balances	(4,718,089)	(7,033,429)	(5,558,950)	1,474,479
Fund balances, October 1, 2011	4,718,089	7,033,429	7,033,429	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ 1,474,479	\$ 1,474,479

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 26,307,000	\$ 31,943,773	\$ 32,039,990	\$ 96,217
Licenses and permits	35,000	35,000	30,548	(4,452)
Intergovernmental	69,131,680	75,441,705	34,566,504	(40,875,201)
Charges for services	10,812,286	10,812,286	11,915,931	1,103,645
Investment income	30,000	31,000	6,260	(24,740)
Miscellaneous	1,471,915	1,584,316	1,360,493	(223,823)
Less 5% anticipated revenues	(1,339,909)	(1,339,909)	-	1,339,909
Total revenues	106,447,972	118,508,171	79,919,726	(38,588,445)
Expenditures:				
Current:				
Transportation	89,019,324	95,022,236	79,078,036	15,944,200
Capital outlay	41,651,114	38,451,735	14,737,106	23,714,629
Total expenditures	130,670,438	133,473,971	93,815,142	39,658,829
Excess of revenues over (under) expenditures	(24,222,466)	(14,965,800)	(13,895,416)	1,070,384
Other financing sources (uses):				
Transfers in	21,823,149	18,701,559	16,288,125	(2,413,434)
Transfers out	(63,426)	(63,426)	(63,426)	-
Total other financing sources (uses)	21,759,723	18,638,133	16,224,699	(2,413,434)
Net change in fund balances	(2,462,743)	3,672,333	2,329,283	(1,343,050)
Fund balances, October 1, 2011	2,462,743	(3,672,333)	(2,227,695)	1,444,638
Increase (decrease) in nonspendable fund balance	-	-	(17,184)	(17,184)
Fund balances, September 30, 2012	\$ -	\$ -	\$ 84,404	\$ 84,404

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 36,500	\$ 36,500	\$ 36,096	\$ (404)
Special assessments	1,393,550	1,393,550	12,478,238	11,084,688
Licenses and permits	5,293,000	5,293,000	5,133,285	(159,715)
Intergovernmental	8,277,925	10,277,532	5,949,851	(4,327,681)
Charges for services	13,825,967	14,035,128	14,892,245	857,117
Fines and forfeitures	3,104,290	3,104,290	3,132,196	27,906
Investment income	1,558,707	1,548,707	1,848,018	299,311
Miscellaneous	1,005,968	1,027,674	1,983,019	955,345
Less 5% anticipated revenues	(1,250,733)	(1,250,733)	-	1,250,733
Total revenues	33,245,174	35,465,648	45,452,948	9,987,300
Expenditures:				
Current:				
General government	24,030,707	30,995,941	7,115,482	23,880,459
Public safety	15,390,246	19,677,694	10,103,264	9,574,430
Physical environment	31,977,838	35,180,932	12,666,877	22,514,055
Transportation	570,000	570,000	334,658	235,342
Economic environment	362,504	403,991	360,527	43,464
Human services	880,158	820,001	454,720	365,281
Culture and recreation	6,111,070	6,065,125	5,909,453	155,672
Capital outlay	928,086	6,972,052	3,390,678	3,581,374
Total expenditures	80,250,609	100,685,736	40,335,659	60,350,077
Excess of revenues over (under) expenditures	(47,005,435)	(65,220,088)	5,117,289	70,337,377
Other financing sources (uses):				
Transfers in	3,953,932	3,960,777	3,074,661	(886,116)
Transfers out	(6,086,334)	(7,003,739)	(5,880,355)	1,123,384
Total other financing sources (uses)	(2,132,402)	(3,042,962)	(2,805,694)	237,268
Net change in fund balances	(49,137,837)	(68,263,050)	2,311,595	70,574,645
Fund balances, October 1, 2011	49,137,837	68,263,050	68,311,072	48,022
Increase (decrease) in nonspendable fund balance	-	-	2,904	2,904
Fund balances, September 30, 2012	\$ -	\$ -	\$ 70,625,571	\$ 70,625,571

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 30,277,833	\$ 30,289,937	\$ 29,227,809	\$ (1,062,128)
Intergovernmental	-	-	279	279
Investment income	180,000	182,878	421,041	238,163
Less 5% anticipated revenues	(1,521,801)	(1,521,801)	-	1,521,801
Total revenues	28,936,032	28,951,014	29,649,129	698,115
Expenditures:				
Debt service	30,077,994	30,524,920	30,073,697	451,223
Total expenditures	30,077,994	30,524,920	30,073,697	451,223
Excess of revenues over (under) expenditures	(1,141,962)	(1,573,906)	(424,568)	1,149,338
Other financing sources (uses):				
Transfers in	375,659	375,659	375,659	-
Transfers out	-	(56,950)	(65,059)	(8,109)
Total other financing sources (uses)	375,659	318,709	310,600	(8,109)
Net change in fund balances	(766,303)	(1,255,197)	(113,968)	1,141,229
Fund balances, October 1, 2011	766,303	1,255,197	1,255,196	(1)
Fund balances, September 30, 2012	\$ -	\$ -	\$ 1,141,228	\$ 1,141,228

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ 550,000	\$ 550,000	\$ 647,466	\$ 97,466
Miscellaneous	108,748	108,748	119,088	10,340
Total revenues	658,748	658,748	766,554	107,806
Expenditures:				
Debt service	122,561,558	130,400,951	100,977,812	29,423,139
Total expenditures	122,561,558	130,400,951	100,977,812	29,423,139
Excess of revenues over (under) expenditures	(121,902,810)	(129,742,203)	(100,211,258)	29,530,945
Other financing sources (uses):				
Transfers in	98,410,169	99,825,888	96,163,836	(3,662,052)
Transfers out	-	(15,988,903)	(15,988,903)	-
Issuance of refunding debt	-	163,189,340	163,189,340	-
Premium (discount) refunding debt	-	28,470,407	28,470,407	-
Payment to escrow agent for refunding	-	(174,859,954)	(174,859,953)	1
Total other financing sources (uses)	98,410,169	100,636,778	96,974,727	(3,662,051)
Net change in fund balances	(23,492,641)	(29,105,425)	(3,236,531)	25,868,894
Fund balances, October 1, 2011	23,492,641	29,105,425	29,105,426	1
Fund balances, September 30, 2012	\$ -	\$ -	\$ 25,868,895	\$ 25,868,895

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 12,464	\$ 12,464
Total revenues	-	-	12,464	12,464
Expenditures:				
Debt service	1,367,398	1,151,998	855,637	296,361
Total expenditures	1,367,398	1,151,998	855,637	296,361
Excess of revenues over (under) expenditures	(1,367,398)	(1,151,998)	(843,173)	308,825
Other financing sources (uses):				
Transfers in	640,004	16,631,104	16,569,381	(61,723)
Payment to escrow agent for refunding	-	(16,140,760)	(16,140,760)	-
Total other financing sources (uses)	640,004	490,344	428,621	(61,723)
Net change in fund balances	(727,394)	(661,654)	(414,552)	247,102
Fund balances, October 1, 2011	727,394	661,654	661,655	1
Fund balances, September 30, 2012	\$ -	\$ -	\$ 247,103	\$ 247,103

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 92,400	\$ 92,400	\$ 333,503	\$ 241,103
Investment income	1,606,000	1,606,000	1,084,836	(521,164)
Less 5% anticipated revenues	(84,920)	(84,920)	-	84,920
Total revenues	1,613,480	1,613,480	1,418,339	(195,141)
Expenditures:				
Current:				
General government	-	332	332	-
Capital outlay	34,747,024	30,377,752	14,131,288	16,246,464
Debt service	264,119	220,899	220,898	1
Total expenditures	35,011,143	30,598,983	14,352,518	16,246,465
Excess of revenues over (under) expenditures	(33,397,663)	(28,985,503)	(12,934,179)	16,051,324
Other financing sources (uses):				
Transfers out	(20,160,247)	(19,746,626)	(4,543,970)	15,202,656
Total other financing sources (uses)	(20,160,247)	(19,746,626)	(4,543,970)	15,202,656
Net change in fund balances	(53,557,910)	(48,732,129)	(17,478,149)	31,253,980
Fund balances, October 1, 2011	53,557,910	48,732,129	48,732,129	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ 31,253,980	\$ 31,253,980

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 35,535,329	\$ 21,286,414	\$ 5,039,144	\$ (16,247,270)
Charges for services	77,030	77,030	77,030	-
Fines and forfeitures	-	-	10,170	10,170
Investment income	543,000	543,000	458,388	(84,612)
Miscellaneous	34,375	8,967,648	2,221,844	(6,745,804)
Less 5% anticipated revenues	(27,150)	(27,150)	-	27,150
Total revenues	36,162,584	30,846,942	7,806,576	(23,040,366)
Expenditures:				
Current:				
Public safety	-	-	196,542	(196,542)
Physical environment	41,059,277	42,859,082	3,657,773	39,201,309
Capital outlay	14,418,114	5,850,731	2,854,695	2,996,036
Total expenditures	55,477,391	48,709,813	6,709,010	42,000,803
Excess of revenues over (under) expenditures	(19,314,807)	(17,862,871)	1,097,566	18,960,437
Other financing sources (uses):				
Transfers in	2,751,116	3,657,297	3,152,655	(504,642)
Transfers out	(2,034,375)	(2,336,572)	(2,241,945)	94,627
Total other financing sources (uses)	716,741	1,320,725	910,710	(410,015)
Net change in fund balances	(18,598,066)	(16,542,146)	2,008,276	18,550,422
Fund balances, October 1, 2011	18,598,066	16,542,146	16,542,146	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ 18,550,422	\$ 18,550,422

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 352,000	\$ 352,000	\$ 1,086,038	\$ 734,038
Investment income	1,305,000	1,305,000	998,065	(306,935)
Miscellaneous	-	-	1,750,000	1,750,000
<hr/>				
Less 5% anticipated revenues	(82,850)	(82,850)	-	82,850
<hr/>				
Total revenues	1,574,150	1,574,150	3,834,103	2,259,953
<hr/>				
Expenditures:				
Current:				
Public safety	1,339,929	2,953,681	1,689,499	1,264,182
Capital outlay	43,760,352	41,964,928	9,003,991	32,960,937
<hr/>				
Total expenditures	45,100,281	44,918,609	10,693,490	34,225,119
<hr/>				
Excess of revenues over (under) expenditures	(43,526,131)	(43,344,459)	(6,859,387)	36,485,072
<hr/>				
Net change in fund balances	(43,526,131)	(43,344,459)	(6,859,387)	36,485,072
<hr/>				
Fund balances, October 1, 2011	43,526,131	43,344,459	43,344,459	-
<hr/>				
Fund balances, September 30, 2012	\$ -	\$ -	\$ 36,485,072	\$ 36,485,072

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 119,900	\$ 119,900	\$ 534,161	\$ 414,261
Intergovernmental	-	50,000	50,000	-
Investment income	638,000	638,000	774,332	136,332
Miscellaneous	-	-	2,990	2,990
Less 5% anticipated revenues	(37,895)	(37,895)	-	37,895
Total revenues	720,005	770,005	1,361,483	591,478
Expenditures:				
Current:				
Culture and recreation	654,027	1,281,829	1,066,835	214,994
Capital outlay	40,586,493	34,426,102	11,500,068	22,926,034
Total expenditures	41,240,520	35,707,931	12,566,903	23,141,028
Excess of revenues over (under) expenditures	(40,520,515)	(34,937,926)	(11,205,420)	23,732,506
Other financing sources (uses):				
Transfers out	(2,200,000)	(2,200,000)	(2,200,000)	-
Total other financing sources (uses)	(2,200,000)	(2,200,000)	(2,200,000)	-
Net change in fund balances	(42,720,515)	(37,137,926)	(13,405,420)	23,732,506
Fund balances, October 1, 2011	42,720,515	37,137,926	37,137,926	-
Fund balances, September 30, 2012	\$ -	\$ -	\$ 23,732,506	\$ 23,732,506

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ 12,643	\$ 12,643
Special assessments	836,000	836,000	3,505,794	2,669,794
Licenses and permits	-	360,000	363,163	3,163
Intergovernmental	2,452,485	2,981,382	2,310,702	(670,680)
Charges for services	-	-	340	340
Investment income	1,172,000	1,172,000	962,857	(209,143)
Miscellaneous	25,000	105,020	111,460	6,440
Less 5% anticipated revenues	(100,400)	(100,400)	-	100,400
Total revenues	4,385,085	5,354,002	7,266,959	1,912,957
Expenditures:				
Current:				
Economic environment	-	-	2,316	(2,316)
Culture and recreation	18,356,212	17,255,616	1,148,131	16,107,485
Capital outlay	25,539,336	24,413,221	3,917,728	20,495,493
Total expenditures	43,895,548	41,668,837	5,068,175	36,600,662
Excess of revenues over (under) expenditures	(39,510,463)	(36,314,835)	2,198,784	38,513,619
Other financing sources (uses):				
Transfers in	868,447	925,397	933,506	8,109
Total other financing sources (uses)	868,447	925,397	933,506	8,109
Net change in fund balances	(38,642,016)	(35,389,438)	3,132,290	38,521,728
Fund balances, October 1, 2011	38,642,016	35,389,438	35,389,439	1
Fund balances, September 30, 2012	\$ -	\$ -	\$ 38,521,729	\$ 38,521,729

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 350,000	\$ 350,000	\$ 537,338	\$ 187,338
Investment income	293,326	293,326	522,331	229,005
Miscellaneous	-	13,680	10	(13,670)
Less 5% anticipated revenues	(32,050)	(32,050)	-	32,050
Total revenues	611,276	624,956	1,059,679	434,723
Expenditures:				
Current:				
Transportation	181,564	194,194	154,902	39,292
Economic environment	285	-	-	-
Capital outlay	9,870,225	9,942,090	811,657	9,130,433
Total expenditures	10,052,074	10,136,284	966,559	9,169,725
Excess of revenues over (under) expenditures	(9,440,798)	(9,511,328)	93,120	9,604,448
Other financing sources (uses):				
Transfers in	-	67,203	-	(67,203)
Total other financing sources (uses)	-	67,203	-	(67,203)
Net change in fund balances	(9,440,798)	(9,444,125)	93,120	9,537,245
Fund balances, October 1, 2011	9,440,798	9,444,125	9,444,124	(1)
Fund balances, September 30, 2012	\$ -	\$ -	\$ 9,537,244	\$ 9,537,244

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 18,206,000	\$ 9,038,000	\$ 9,363,976	\$ 325,976
Special assessments	21,540,142	21,540,142	12,854,648	(8,685,494)
Intergovernmental	47,447,280	36,733,114	18,994,483	(17,738,631)
Charges for services	350,000	350,000	225	(349,775)
Investment income	5,304,000	5,304,000	9,365,609	4,061,609
Miscellaneous	12,696,526	11,322,680	4,391,486	(6,931,194)
Less 5% anticipated revenues	(2,252,507)	(2,252,507)	-	2,252,507
Total revenues	103,291,441	82,035,429	54,970,427	(27,065,002)
Expenditures:				
Current:				
General government	2,122,095	2,122,094	1,354,261	767,833
Transportation	13,190,849	12,880,875	4,801,643	8,079,232
Economic environment	583,023	445,512	-	445,512
Capital outlay	424,298,655	419,372,897	44,394,105	374,978,792
Debt service	-	76	-	76
Total expenditures	440,194,622	434,821,454	50,550,009	384,271,445
Excess of revenues over (under) expenditures	(336,903,181)	(352,786,025)	4,420,418	357,206,443
Other financing sources (uses):				
Transfers in	814,000	814,000	814,000	-
Transfers out	(11,034,417)	(4,528,000)	(1,029,000)	3,499,000
Total other financing sources (uses)	(10,220,417)	(3,714,000)	(215,000)	3,499,000
Net change in fund balances	(347,123,598)	(356,500,025)	4,205,418	360,705,443
Fund balances, October 1, 2011	347,123,598	356,500,025	356,500,027	2
Fund balances, September 30, 2012	\$ -	\$ -	\$ 360,705,445	\$ 360,705,445

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ 800	\$ 800
Special assessments	252,560	252,560	680,975	428,415
Intergovernmental	5,163,376	5,319,507	2,983,554	(2,335,953)
Charges for services	2,811,000	2,811,000	834,573	(1,976,427)
Investment income	3,825,316	3,825,316	3,043,436	(781,880)
Miscellaneous	1,122,053	1,429,277	581,505	(847,772)
Less 5% anticipated revenues	(153,894)	(153,894)	-	153,894
Total revenues	13,020,411	13,483,766	8,124,843	(5,358,923)
Expenditures:				
Current:				
General government	73,208,436	72,919,904	23,866,803	49,053,101
Public safety	86,337	-	-	-
Physical environment	1,341,811	851,919	505,431	346,488
Transportation	4,825,803	5,148,889	3,695,811	1,453,078
Economic environment	761,043	662,415	194,796	467,619
Human services	95,976	95,976	106,855	(10,879)
Capital outlay	74,044,586	72,283,104	5,525,628	66,757,476
Debt service	108,653	95,925	-	95,925
Total expenditures	154,472,645	152,058,132	33,895,324	118,162,808
Excess of revenues over (under) expenditures	(141,452,234)	(138,574,366)	(25,770,481)	112,803,885
Other financing sources (uses):				
Transfers in	15,464,250	18,814,068	17,137,369	(1,676,699)
Transfers out	(1,607,575)	(1,687,788)	(1,814,897)	(127,109)
Total other financing sources (uses)	13,856,675	17,126,280	15,322,472	(1,803,808)
Net change in fund balances	(127,595,559)	(121,448,086)	(10,448,009)	111,000,077
Fund balances, October 1, 2011	127,595,559	121,448,086	123,498,086	2,050,000
Fund balances, September 30, 2012	\$ -	\$ -	\$ 113,050,077	\$ 113,050,077

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, 2012

	Fleet Management	Combined Insurance Fund	Clerk & Comptroller Insurance Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 17,772,315	\$ 71,766,084	\$ 2,954,943	\$ 92,493,342
Accounts receivable, net	218	2,174,538	24,604	2,199,360
Due from other county funds	2,592,237	1,117,592	644,507	4,354,336
Due from other governments	183,534	-	-	183,534
Due from component unit	919	2,089	-	3,008
Inventory	1,536,811	-	-	1,536,811
Other assets	46,192	4,071,750	-	4,117,942
Total current assets	22,132,226	79,132,053	3,624,054	104,888,333
Capital assets:				
Buildings	206,558	-	-	206,558
Improvements other than buildings	512,286	-	-	512,286
Furniture, fixtures and equipment	74,571,991	263,044	-	74,835,035
Accumulated depreciation	(51,805,030)	(223,599)	-	(52,028,629)
Total assets	45,618,031	79,171,498	3,624,054	128,413,583
LIABILITIES				
Current liabilities:				
Vouchers payable and accrued liabilities	1,455,554	2,662,025	3,755	4,121,334
Due to other county funds	8,014,438	8,679,702	88,505	16,782,645
Due to other governments	134	135,420	-	135,554
Current portion of long-term debt	14,325	20,624	-	34,949
Insurance claims payable	-	12,425,063	750,000	13,175,063
Total current liabilities	9,484,451	23,922,834	842,260	34,249,545
Other long-term liabilities	597,394	42,539,000	-	43,136,394
Total liabilities	10,081,845	66,461,834	842,260	77,385,939
NET ASSETS				
Invested in capital assets, net of related debt	23,485,805	39,445	-	23,525,250
Unrestricted	12,050,381	12,670,219	2,781,794	27,502,394
Total net assets	\$ 35,536,186	\$ 12,709,664	\$ 2,781,794	\$ 51,027,644

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, 2012

	Fleet Management	Combined Insurance Fund	Clerk & Comptroller Insurance Fund	Total
Operating revenues:				
Charges for services	\$ 33,613,541	\$ 68,334,824	\$ 8,420,854	\$ 110,369,219
Total operating revenues	33,613,541	68,334,824	8,420,854	110,369,219
Operating expenses:				
Transportation services	23,922,956	-	-	23,922,956
Self-insurance services	-	82,940,919	8,215,653	91,156,572
Depreciation and amortization	8,348,059	22,993	-	8,371,052
Total operating expenses	32,271,015	82,963,912	8,215,653	123,450,580
Operating income (loss)	1,342,526	(14,629,088)	205,201	(13,081,361)
Nonoperating revenues:				
Investment income	413,413	1,921,611	26	2,335,050
Other revenues	1,199,391	2,238,665	-	3,438,056
Total nonoperating revenues	1,612,804	4,160,276	26	5,773,106
Income before capital contributions and transfers	2,955,330	(10,468,812)	205,227	(7,308,255)
Capital contributions	15,785	-	-	15,785
Transfers in	610,000	-	-	610,000
Transfers out	(9,007,611)	(9,171,116)	-	(18,178,727)
Change in net assets	(5,426,496)	(19,639,928)	205,227	(24,861,197)
Net assets, October 1, 2011	40,962,682	32,349,592	2,576,567	75,888,841
Net assets, September 30, 2012	\$ 35,536,186	\$ 12,709,664	\$ 2,781,794	\$ 51,027,644

PALM BEACH COUNTY, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended September 30, 2012

	Fleet Management	Combined Insurance Fund
Cash flows from operating activities:		
Cash received from customers	\$ 1,190,426	\$ 10,219,102
Cash received from other funds for goods and services	32,774,507	57,902,401
Cash payments to vendors for goods and services	(17,801,138)	(8,798,411)
Cash payments to employees for services	(4,804,500)	(1,892,049)
Cash payments to other funds	(1,394,776)	(1,093,475)
Claims paid	-	(69,146,620)
Other receipts	158,762	2,238,781
Net cash provided by (used in) operating activities	10,123,281	(10,570,271)
Cash flows from noncapital financing activities:		
Transfers in	610,000	-
Transfers out	(1,007,611)	(491,800)
Net cash (used in) noncapital financing activities	(397,611)	(491,800)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	1,251,462	631
Purchase and construction of capital assets	(4,368,527)	-
Net cash provided by (used in) capital and related financing activities	(3,117,065)	631
Cash flows from investing activities:		
Interest on investments	413,413	1,921,611
Net cash provided by investing activities	413,413	1,921,611
Net increase (decrease) in cash and cash equivalents	7,022,018	(9,139,829)
Cash and cash equivalents, October 1, 2011	10,750,297	80,905,913
Cash and cash equivalents, September 30, 2012	\$ 17,772,315	\$ 71,766,084
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 1,342,526	\$ (14,629,088)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	8,348,059	22,993
Miscellaneous revenue	158,762	2,238,781
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	307	(54,838)
(Increase) decrease in due from other county funds	187,984	(201,888)
Decrease in due from other governments	162,440	43,727
Decrease in inventory	192,898	-
Decrease in other assets	-	243,851
(Increase) decrease in due from component unit	660	(321)
Increase (decrease) in vouchers payable and accrued liabilities	(228,592)	364,180
Increase (decrease) in due to other county funds	1,302	18
Increase in due to other governments	83	135,420
(Decrease) in due to individuals	-	-
(Decrease) in current portion of long-term debt	(26,262)	(11,968)
Increase in insurance claims payable	-	429,140
Increase (decrease) in other long-term liabilities	(16,886)	849,722
Net cash provided by (used in) operating activities	\$ 10,123,281	\$ (10,570,271)
Supplemental disclosure of noncash capital and related financing activities:		
Contribution of capital assets	\$ 15,785	\$ 3,601
Disposal of fully depreciated capital assets	\$ 3,318,150	\$ 36,662

Clerk & Comptroller Insurance Fund	Total
\$ 1,280,640	\$ 12,690,168
6,635,917	97,312,825
(2,810,397)	(29,409,946)
(86,601)	(6,783,150)
-	(2,488,251)
(5,413,109)	(74,559,729)
-	2,397,543
<u>(393,550)</u>	<u>(840,540)</u>
-	610,000
-	<u>(1,499,411)</u>
-	<u>(889,411)</u>
-	1,252,093
-	<u>(4,368,527)</u>
-	<u>(3,116,434)</u>
26	2,335,050
26	2,335,050
(393,524)	(2,511,335)
3,348,467	95,004,677
<u>\$ 2,954,943</u>	<u>\$ 92,493,342</u>
\$ 205,201	\$ (13,081,361)
-	8,371,052
-	2,397,543
(24,604)	(79,135)
(479,694)	(493,598)
-	206,167
-	192,898
-	243,851
-	339
756	136,344
(181)	1,139
-	135,503
(103,028)	(103,028)
-	(38,230)
8,000	437,140
-	832,836
<u>\$ (393,550)</u>	<u>\$ (840,540)</u>
<u>\$ -</u>	<u>\$ 19,386</u>
<u>\$ -</u>	<u>\$ 3,354,812</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, 2012

AGENCY FUNDS					
	Board of County Commissioners	Sheriff	Clerk & Comptroller	Tax Collector	Total Agency Funds
ASSETS					
Cash, cash equivalents, and investments	\$ 6,099,673	\$ 960,573	\$ 67,078,659	\$ 49,199,644	\$ 123,338,549
Accounts receivable, net	461	562,080	159,374	103,349	825,264
Due from other governments	61,913	1,394,916	-	694	1,457,523
Other assets	-	315	-	-	315
Total assets	\$ 6,162,047	\$ 2,917,884	\$ 67,238,033	\$ 49,303,687	\$ 125,621,651
LIABILITIES					
Vouchers payable and accrued liabilities	\$ 2,644,289	\$ 56,805	\$ -	\$ 894,877	\$ 3,595,971
Due to other governments	386,084	311,579	9,930,015	29,408,155	40,035,833
Due to individuals	2,395,378	2,549,500	57,308,018	19,000,655	81,253,551
Other liabilities	736,296	-	-	-	736,296
Total liabilities	\$ 6,162,047	\$ 2,917,884	\$ 67,238,033	\$ 49,303,687	\$ 125,621,651

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2012

BOARD OF COUNTY COMMISSIONERS

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
ASSETS				
Cash, cash equivalents, and investments	\$ 6,783,509	\$ 51,016,505	\$ 51,700,341	\$ 6,099,673
Accounts receivable, net	461	3,428	3,428	461
Due from other county funds	-	-	-	-
Due from other governments	58,308	61,860	58,255	61,913
Other assets	-	-	-	-
Total assets	\$ 6,842,278	\$ 51,081,793	\$ 51,762,024	\$ 6,162,047
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 4,448,682	\$ 42,495,760	\$ 44,300,153	\$ 2,644,289
Due to other county funds	-	76,526	76,526	-
Due to other governments	236,317	1,227,966	1,078,199	386,084
Due to component unit	-	181,627	181,627	-
Due to individuals	2,039,206	1,073,727	717,555	2,395,378
Other liabilities	118,073	12,617,962	11,999,739	736,296
Total liabilities	\$ 6,842,278	\$ 57,673,568	\$ 58,353,799	\$ 6,162,047

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2012

SHERIFF

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
ASSETS				
Cash, cash equivalents, and investments	\$ 1,434,748	\$ 87,718,162	\$ 88,192,337	\$ 960,573
Accounts receivable, net	305,192	7,125,121	6,868,233	562,080
Due from other county funds	-	12,285,191	12,285,191	-
Due from other governments	1,544,733	44,954,521	45,104,338	1,394,916
Other assets	325	807	817	315
Total assets	\$ 3,284,998	\$ 152,083,802	\$ 152,450,916	\$ 2,917,884
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 92,480	\$ 4,500,158	\$ 4,535,833	\$ 56,805
Due to other county funds	-	127,003,149	127,003,149	-
Due to other governments	302,563	1,008,679	999,663	311,579
Due to component unit	-	-	-	-
Due to individuals	2,889,955	10,097,443	10,437,898	2,549,500
Other liabilities	-	43,455,554	43,455,554	-
Total liabilities	\$ 3,284,998	\$ 186,064,983	\$ 186,432,097	\$ 2,917,884

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2012

CLERK & COMPTROLLER

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
ASSETS				
Cash, cash equivalents, and investments	\$ 41,686,810	\$ 544,456,457	\$ 519,064,608	\$ 67,078,659
Accounts receivable, net	75,984	757,541	674,151	159,374
Due from other county funds	-	-	-	-
Due from other governments	-	-	-	-
Other assets	-	-	-	-
Total assets	\$ 41,762,794	\$ 545,213,998	\$ 519,738,759	\$ 67,238,033
LIABILITIES				
Vouchers payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other county funds	-	25,873,023	25,873,023	-
Due to other governments	9,654,206	287,872,584	287,596,775	9,930,015
Due to component unit	-	-	-	-
Due to individuals	32,108,588	191,012,611	165,813,181	57,308,018
Other liabilities	-	-	-	-
Total liabilities	\$ 41,762,794	\$ 504,758,218	\$ 479,282,979	\$ 67,238,033

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2012

TAX COLLECTOR

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
ASSETS				
Cash, cash equivalents, and investments	\$ 53,764,902	\$ 3,326,757,830	\$ 3,331,323,088	\$ 49,199,644
Accounts receivable, net	232,429	3,994,140	4,123,220	103,349
Due from other county funds	-	-	-	-
Due from other governments	1,347	2,222	2,875	694
Other assets	-	-	-	-
Total assets	\$ 53,998,678	\$ 3,330,754,192	\$ 3,335,449,183	\$ 49,303,687
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 457,694	\$ 894,877	\$ 457,694	\$ 894,877
Due to other county funds	-	-	-	-
Due to other governments	27,334,863	2,492,670,249	2,490,596,957	29,408,155
Due to component unit	-	-	-	-
Due to individuals	26,206,121	967,611,169	974,816,635	19,000,655
Other liabilities	-	-	-	-
Total liabilities	\$ 53,998,678	\$ 3,461,176,295	\$ 3,465,871,286	\$ 49,303,687

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2012

TOTAL AGENCY FUNDS

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
ASSETS				
Cash, cash equivalents, and investments	\$103,669,969	\$ 4,009,948,954	\$ 3,990,280,374	\$ 123,338,549
Accounts receivable, net	614,066	11,880,230	11,669,032	825,264
Due from other county funds	-	12,285,191	12,285,191	-
Due from other governments	1,604,388	45,018,603	45,165,468	1,457,523
Other assets	325	807	817	315
Total assets	\$105,888,748	\$ 4,079,133,785	\$ 4,059,400,882	\$ 125,621,651
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 4,998,856	\$ 47,890,795	\$ 49,293,680	\$ 3,595,971
Due to other county funds	-	152,952,698	152,952,698	-
Due to other governments	37,527,949	2,782,779,478	2,780,271,594	40,035,833
Due to component unit	-	181,627	181,627	-
Due to individuals	63,243,870	1,169,794,950	1,151,785,269	81,253,551
Other liabilities	118,073	56,073,516	55,455,293	736,296
Total liabilities	\$105,888,748	\$ 4,209,673,064	\$ 4,189,940,161	\$ 125,621,651



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, 2012
(accrual basis of accounting)

	2012	2011	2010	2009
Governmental activities				
Invested in capital assets, net of related debt	\$ 1,546,566,514	\$ 1,489,989,254	\$1,450,011,423	\$1,379,604,426
Restricted	607,934,453	595,555,856	775,130,243	791,216,501
Unrestricted	224,565,666	266,652,171	125,567,464	215,300,661
Subtotal governmental activities net assets	<u>2,379,066,633</u>	<u>2,352,197,281</u>	<u>2,350,709,130</u>	<u>2,386,121,588</u>
Business-type activities				
Invested in capital assets, net of related debt	962,437,487	956,542,617	1,279,889,595	1,295,978,868
Restricted	80,734,828	80,426,727	100,822,222	102,511,960
Unrestricted	286,575,362	244,844,404	289,268,076	247,786,962
Subtotal business-type activities net assets	<u>1,329,747,677</u>	<u>1,281,813,748</u>	<u>1,669,979,893</u>	<u>1,646,277,790</u>
Primary government				
Invested in capital assets, net of related debt	2,509,004,001	2,446,531,871	2,729,901,018	2,675,583,294
Restricted	688,669,281	675,982,583	875,952,465	893,728,461
Unrestricted	511,141,028	511,496,575	414,835,540	463,087,623
Total primary government net assets	<u>\$ 3,708,814,310</u>	<u>\$ 3,634,011,029</u>	<u>\$4,020,689,023</u>	<u>\$4,032,399,378</u>

2008	2007	2006	2005	2004	2003
\$1,259,900,977	\$1,258,858,321	\$1,149,700,254	\$1,045,215,024	\$984,688,856	\$703,748,337
721,136,994	691,922,069	653,306,180	719,046,886	587,662,798	544,039,097
404,592,872	424,170,355	440,749,051	253,276,911	256,909,610	221,261,900
<u>2,385,630,843</u>	<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>
1,221,939,326	1,086,676,383	948,165,708	861,609,196	762,742,002	668,501,790
81,853,521	96,296,100	75,198,428	73,553,352	97,185,482	91,070,934
256,633,886	280,151,773	293,449,654	260,387,167	252,706,877	264,202,723
<u>1,560,426,733</u>	<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>
2,481,840,303	2,345,534,704	2,097,865,962	1,906,824,220	1,747,430,858	1,372,250,127
802,990,515	788,218,169	728,504,608	792,600,238	684,848,280	635,110,031
661,226,758	704,322,128	734,198,705	513,664,078	509,616,487	485,464,623
<u>\$3,946,057,576</u>	<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>

TABLE II
PALM BEACH COUNTY, FLORIDA
Changes in Net Assets
Last Ten Fiscal Years
September 30, 2012
(accrual basis of accounting)

	2012	2011	2010	2009
Expenses				
Governmental activities:				
General government	\$ 314,666,246	\$ 341,822,193	\$ 371,148,103	\$ 361,226,125
Public safety	759,899,255	766,484,908	786,471,756	745,921,020
Physical environment	29,206,388	28,162,354	43,167,022	31,362,849
Transportation	168,483,843	154,340,423	156,220,175	159,185,218
Economic environment	114,825,751	81,393,923	81,413,581	97,971,339
Human services	97,827,366	103,147,354	105,602,745	102,646,882
Culture & recreation	107,783,211	116,388,965	125,116,020	119,372,592
Interest expense	48,095,197	51,630,978	54,553,591	57,030,394
Total governmental activities expenses	1,640,787,257	1,643,371,098	1,723,692,993	1,674,716,419
Business-type activities:				
Department of Airports	73,838,549	75,500,620	76,945,438	78,046,101
Water Utilities Department	149,310,319	147,231,279	138,430,579	139,641,769
Solid Waste Authority	-	-	201,080,621	182,688,229
Total business-type activities expenses	223,148,868	222,731,899	416,456,638	400,376,099
Total primary government expenses	1,863,936,125	1,866,102,997	2,140,149,631	2,075,092,518
Program Revenues				
Governmental activities:				
Fines, fees and charges for services				
General government	111,559,056	102,103,820	103,620,685	114,047,649
Public safety	117,831,187	112,387,583	115,863,889	110,334,202
Physical environment	8,298,140	6,499,713	17,133,350	10,151,537
Transportation	27,167,174	20,060,113	18,614,170	17,193,688
Economic environment	3,354,941	3,058,264	3,437,443	3,290,607
Human services	3,547,332	3,351,710	3,348,276	3,698,309
Culture & recreation	19,313,804	16,699,485	15,373,433	14,251,315
Operating Grants and Contributions	223,500,504	209,692,465	166,400,734	124,370,724
Capital Grants and Contributions	20,135,358	22,045,772	17,336,040	18,467,156
Total governmental activities program revenue	534,707,496	495,898,925	461,128,020	415,805,187
Business-type activities:				
Fines, fees and charges for services				
Department of Airports	77,400,041	78,911,145	76,165,984	75,700,643
Water Utilities Department	157,177,871	152,312,882	141,616,613	130,226,088
Solid Waste Authority	-	-	238,743,084	226,946,893
Operating Grants and Contributions	-	-	1,587,479	2,611,735
Capital Grants and Contributions	30,204,065	22,455,857	29,919,742	39,857,577
Total business-type activities program revenue	264,781,977	253,679,884	488,032,902	475,342,936
Total primary government program revenues	799,489,473	749,578,809	949,160,922	891,148,123

2008	2007	2006	2005	2004	2003
\$ 350,734,704	\$ 353,587,607	\$ 334,221,067	\$ 287,930,665	\$ 277,009,468	\$ 270,247,442
687,642,947	648,701,203	594,769,838	547,224,383	480,227,919	434,565,298
25,796,346	28,636,570	22,758,674	25,537,612	23,720,500	19,546,116
164,201,354	169,132,729	146,885,943	167,115,551	128,520,025	91,633,960
213,041,163	160,162,014	70,953,984	56,343,792	50,619,793	43,030,647
101,164,791	100,967,046	92,500,262	87,689,004	88,722,328	80,494,994
124,177,434	119,260,294	135,554,637	100,373,803	94,616,074	88,833,662
49,875,129	49,027,928	46,868,063	40,736,456	36,729,939	34,241,486
1,716,633,868	1,629,475,391	1,444,512,468	1,312,951,266	1,180,166,046	1,062,593,605
71,747,321	66,276,956	65,296,423	66,018,396	58,126,033	57,070,803
127,812,208	112,853,464	98,664,387	84,650,247	77,154,525	72,006,274
160,805,739	158,484,143	211,845,828	193,876,262	151,239,222	135,594,046
360,365,268	337,614,563	375,806,638	344,544,905	286,519,780	264,671,123
2,076,999,136	1,967,089,954	1,820,319,106	1,657,496,171	1,466,685,826	1,327,264,728
129,124,303	132,000,732	157,791,914	145,804,439	122,143,504	113,373,676
98,503,611	94,764,762	90,472,783	94,327,833	86,737,955	87,545,979
4,997,300	5,680,770	8,888,175	8,984,143	6,278,825	6,751,335
26,379,224	31,801,521	56,056,281	62,242,662	59,161,311	55,763,950
3,227,522	3,122,003	2,985,295	2,936,974	2,260,256	394,000
5,897,399	3,140,222	2,884,924	3,136,439	3,613,563	3,313,414
12,332,208	15,254,861	20,951,076	24,344,306	27,575,440	14,161,054
132,135,333	132,204,759	169,338,489	146,143,765	123,265,311	100,721,579
40,630,120	18,202,648	18,860,932	29,908,643	23,246,229	24,043,163
453,227,020	436,172,278	528,229,869	517,829,204	454,282,394	406,068,150
74,338,460	77,478,538	73,656,481	70,695,132	61,474,612	55,350,172
118,720,944	107,090,233	97,504,258	91,355,681	91,960,731	83,683,696
195,947,347	195,898,364	176,395,212	161,923,748	150,871,971	140,282,109
9,076,750	30,829,908	71,862,103	46,954,571	17,935,686	6,005,790
59,477,117	57,146,874	86,049,256	51,255,084	45,811,678	44,405,912
457,560,618	468,443,917	505,467,310	422,184,216	368,054,678	329,727,679
910,787,638	904,616,195	1,033,697,179	940,013,420	822,337,072	735,795,829

TABLE II
PALM BEACH COUNTY, FLORIDA
Changes in Net Assets
Last Ten Fiscal Years
September 30, 2012
(accrual basis of accounting)

(Continuations)

	2012	2011	2010	2009
Net (Expenses)/Revenue				
Governmental activities:	\$ (1,106,079,761)	\$ (1,147,472,173)	\$ (1,262,564,973)	\$ (1,258,911,232)
Business-type activities:	41,633,109	30,947,985	71,576,264	74,966,837
Total primary government net expense	<u>(1,064,446,652)</u>	<u>(1,116,524,188)</u>	<u>(1,190,988,709)</u>	<u>(1,183,944,395)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes levied by the County				
Ad valorem taxes	824,015,386	839,684,057	860,977,954	855,761,096
Utility service taxes	33,553,838	33,947,339	33,837,191	29,662,838
Local option gas taxes	45,637,158	44,603,467	44,949,024	45,472,637
Tourist development taxes	28,821,660	25,480,495	23,219,185	22,346,492
State shared sales tax-unrestricted	70,206,178	66,826,717	64,268,114	64,658,133
Franchise gross receipts fee	34,955,780	36,350,282	38,512,546	34,149,094
State shared revenue-unrestricted	55,026,652	52,288,454	87,130,547	62,583,579
Investment income	40,425,709	47,432,115	71,620,542	135,105,777
Other general revenues	3,138,225	2,073,844	3,638,664	8,562,331
Gain on disposal of capital assets	-	2,001,396	-	-
Transfers-net	(2,831,473)	(1,727,842)	(1,001,252)	1,100,000
Total governmental activities	<u>1,132,949,113</u>	<u>1,148,960,324</u>	<u>1,227,152,515</u>	<u>1,259,401,977</u>
Business-type activities:				
Investment income	7,041,371	8,271,098	7,506,002	11,984,220
Other general revenues	-	-	-	-
Gain on disposal of capital assets	-	-	-	-
Transfers-net	2,831,473	1,727,842	1,001,252	(1,100,000)
Special items	(3,572,024)	(4,045,999)	(56,381,415)	-
Total business-type activities	<u>6,300,820</u>	<u>5,952,941</u>	<u>(47,874,161)</u>	<u>10,884,220</u>
Total primary government	<u>1,139,249,933</u>	<u>1,154,913,265</u>	<u>1,179,278,354</u>	<u>1,270,286,197</u>
Change in Net Assets				
Governmental activities	26,869,352	1,488,151	(35,412,458)	490,745
Business-type activities	47,933,929	36,900,926	23,702,103	85,851,057
Total primary government	<u>\$ 74,803,281</u>	<u>\$ 38,389,077</u>	<u>\$ (11,710,355)</u>	<u>\$ 86,341,802</u>

2008	2007	2006	2005	2004	2003
\$(1,263,406,848)	\$(1,193,303,113)	\$(916,282,599)	\$(795,122,062)	\$(725,883,652)	\$(656,525,455)
97,195,350	130,829,354	129,660,672	77,639,311	81,534,898	65,056,556
(1,166,211,498)	(1,062,473,759)	(786,621,927)	(717,482,751)	(644,348,754)	(591,468,899)
897,890,650	939,719,588	800,033,319	685,200,765	606,326,239	542,171,572
30,543,325	29,824,203	28,882,670	28,074,005	27,196,819	28,314,364
46,068,630	47,668,148	49,144,912	49,196,637	48,033,683	45,946,096
27,813,718	26,818,069	23,528,567	22,516,374	19,848,215	17,330,095
72,375,458	76,120,744	80,019,101	76,660,073	73,705,133	66,973,342
30,039,809	30,005,367	29,707,735	25,707,598	22,856,094	22,844,936
59,369,923	61,569,609	61,593,434	58,434,994	54,733,943	48,113,623
87,183,609	98,855,421	75,370,005	33,639,043	33,858,058	31,005,054
6,092,958	9,640,268	5,274,520	4,169,936	1,563,777	3,696,464
-	6,804,989	-	-	-	1,647,381
9,654,866	(2,528,033)	(11,055,000)	(199,806)	(358,500)	54,656
1,267,032,946	1,324,498,373	1,142,499,263	983,399,619	887,763,461	808,097,583
9,684,500	12,932,755	9,298,155	5,076,237	5,991,610	6,498,178
-	-	48,047	-	-	-
77,493	20,324	3,416,202	-	738,906	76,394
(9,654,866)	2,528,033	11,055,000	199,806	358,500	(54,656)
-	-	(32,214,001)	-	225,000	-
107,127	15,481,112	(8,396,597)	5,276,043	7,314,016	6,519,916
1,267,140,073	1,339,979,485	1,134,102,666	988,675,662	895,077,477	814,617,499
3,626,098	131,195,260	226,216,664	188,277,557	161,879,809	151,572,128
97,302,477	146,310,466	121,264,075	82,915,354	88,848,914	71,576,472
\$ 100,928,575	\$ 277,505,726	\$ 347,480,739	\$ 271,192,911	\$ 250,728,723	\$ 223,148,600

TABLE III
PALM BEACH COUNTY, FLORIDA
Fund Balances
Governmental Funds
Last Ten Fiscal Years
September 30, 2012
(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"

	2012	2011
General Fund		
Nonspendable	\$ 5,762,610	\$ 6,528,628
Spendable:		
Restricted	17,648,934	15,615,345
Assigned	437,425	-
Unassigned	193,701,053	178,636,195
Total general fund	<u>\$ 217,550,022</u>	<u>\$ 200,780,168</u>
All Other Governmental Funds		
Nonspendable	\$ 6,599,801	\$ 6,894,353
Spendable:		
Restricted	708,502,550	746,335,862
Assigned	199,476,831	201,848,573
Unassigned	(11,011,102)	(8,283,268)
Total all other governmental funds	<u>\$ 903,568,080</u>	<u>\$ 946,795,520</u>

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

	2005	2004	2003
\$	2,377,934	\$ 1,504,296	\$ 1,377,875
	182,467,939	148,241,675	182,729,927
\$	184,845,873	\$ 149,745,971	\$ 184,107,802
<hr/>			
\$	38,533,591	\$ 21,298,817	\$ 21,335,310
	216,117,295	183,168,481	149,100,263
	898,318,247	730,838,681	624,543,322
\$	1,152,969,133	\$ 935,305,979	\$ 794,978,895

Table IV
PALM BEACH COUNTY, FLORIDA
Changes in Fund Balance
Governmental Funds
Last Ten Fiscal Years
September 30, 2012
(modified accrual basis of accounting)

	2012	2011	2010	2009	2008
Revenues					
Taxes (See Table V)	\$ 958,796,572	\$ 969,585,795	\$ 990,532,379	\$ 981,612,885	\$ 1,060,648,899
Special assessments	32,282,348	14,264,557	14,280,821	12,800,895	30,766,826
Licenses and permits	50,461,027	50,712,934	51,631,037	45,277,203	14,495,838
Intergovernmental (See Table V)	323,637,494	289,165,379	281,852,363	230,405,234	231,253,335
Charges for services	259,051,389	259,016,731	270,399,489	268,772,594	263,170,088
Less - excess fees paid out	(39,445,243)	(39,568,304)	(42,088,065)	(45,435,474)	(48,986,202)
Fines & forfeitures	7,215,209	8,104,263	7,834,661	12,050,681	13,409,495
Investment income	38,090,657	44,264,314	66,901,016	127,214,081	84,558,686
Miscellaneous	24,492,007	20,006,576	26,792,351	23,927,073	25,256,701
Total revenues	1,654,581,460	1,615,552,245	1,668,136,052	1,656,625,172	1,674,573,666
Expenditures					
General government	274,355,685	320,404,417	320,528,157	301,345,410	310,329,730
Public safety	695,133,161	713,024,043	725,092,311	689,356,967	653,281,284
Physical environment	27,896,485	27,236,858	41,730,420	29,585,239	24,897,201
Transportation	125,192,758	120,620,172	121,543,922	129,347,587	136,380,373
Economic environment	114,737,668	81,389,450	81,075,787	99,032,530	175,019,052
Human services	96,774,300	102,158,971	103,155,921	101,393,023	99,860,522
Culture & recreation	90,721,377	100,116,700	107,158,290	103,713,504	106,653,976
Capital outlay	142,048,560	165,108,941	206,202,286	226,570,069	245,434,936
Debt service					
Principal	82,574,228	82,679,150	80,097,501	75,847,513	73,892,468
Interest	48,791,317	53,082,857	56,656,584	54,810,052	48,576,404
Other charges	1,275,884	3,354,054	3,464,706	2,771,849	4,845,829
Total expenditures	1,699,501,423	1,769,175,613	1,846,705,885	1,813,773,743	1,879,171,775
Excess of revenues over (under) expenditures	(44,919,963)	(153,623,368)	(178,569,833)	(157,148,571)	(204,598,109)
Other Financing Sources (Uses)					
Transfers in	211,372,253	202,873,127	796,831,395	874,338,459	790,518,983
Transfers out	(196,634,999)	(202,840,602)	(786,720,354)	(874,688,943)	(790,164,731)
Issuance of long-term debt	3,561,000	37,359,407	1,426,000	59,844,760	304,926,006
Premium (discount) long-term debt	-	-	-	804,667	5,446,308
Issuance of refunding debt	163,189,340	91,475,000	31,128,107	51,730,000	53,751,266
Premium (discount) refunding debt	28,470,407	14,763,603	1,114,948	979,778	797,115
Payment to escrow agent for refunding	(191,000,713)	(99,819,373)	(31,998,005)	(47,904,895)	(54,185,517)
Total other financing sources (uses)	18,957,288	43,811,162	11,782,091	65,103,826	311,089,430
Net change in fund balances	\$ (25,962,675)	\$ (109,812,206)	\$ (166,787,742)	\$ (92,044,745)	\$ 106,491,321
Debt service as a percentage of noncapital expenditures (1)	8.4%	8.5%	8.3%	8.2%	7.5%

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

2007	2006	2005	2004	2003
\$ 1,103,524,951	\$ 959,811,851	\$ 839,088,219	\$ 750,538,352	\$ 678,623,758
37,199,384	93,320,734	106,468,425	96,267,382	92,674,006
18,905,841	27,124,893	23,241,939	18,423,955	15,971,817
225,178,347	274,002,360	255,413,934	211,072,156	191,300,405
258,533,429	254,197,688	250,621,639	197,993,504	156,568,583
(50,266,917)	(40,873,561)	(34,996,646)	(30,963,646)	-
14,905,754	7,655,171	7,368,597	14,451,096	16,926,636
97,232,629	71,586,595	31,087,205	30,482,437	26,711,503
39,679,635	35,124,869	26,262,217	24,668,231	23,233,113
1,744,893,053	1,681,950,600	1,504,555,529	1,312,933,467	1,202,009,821
313,015,263	290,838,621	266,333,173	245,309,801	233,733,569
599,870,191	574,135,189	514,830,158	455,658,451	413,014,162
26,549,400	21,343,348	23,607,179	21,418,568	18,412,689
133,592,630	121,777,304	133,742,817	101,418,238	87,911,562
155,367,439	70,743,624	56,103,756	50,441,054	42,769,728
99,109,754	91,612,500	87,112,369	87,273,324	79,186,286
103,809,416	123,390,031	88,698,037	83,478,624	77,340,894
326,185,756	228,383,696	253,918,590	193,564,051	177,374,886
88,291,399	62,308,629	51,899,195	47,422,546	43,855,556
49,666,635	45,439,931	37,950,596	34,920,376	34,037,366
665,931	3,024,010	5,187,643	3,825,224	759,726
1,896,123,814	1,632,996,883	1,519,383,513	1,324,730,257	1,208,396,424
(151,230,761)	48,953,717	(14,827,984)	(11,796,790)	(6,386,603)
789,706,485	649,145,798	558,070,700	549,407,015	511,941,179
(790,338,523)	(654,200,798)	(550,031,074)	(546,159,652)	(510,386,523)
78,470,918	105,504,655	246,305,233	107,127,451	55,537,758
561,966	(48,226)	11,127,960	5,145,225	2,337,087
-	115,825,000	76,555,000	94,297,549	-
-	-	3,550,476	9,606,053	-
-	(121,560,729)	(78,935,818)	(102,397,730)	-
78,400,846	94,665,700	266,642,477	117,025,911	59,429,501
\$ (72,829,915)	\$ 143,619,417	\$ 251,814,493	\$ 105,229,121	\$ 53,042,898
8.8%	7.7%	7.1%	7.3%	7.4%

TABLE V
PALM BEACH COUNTY, FLORIDA
Tax and Intergovernmental Revenue by Source
Last Ten Fiscal Years
September 30, 2012
(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			
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	
2012	824,015	33,554	45,637	28,822	24,914	-	1,855	958,797	

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		
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	
2012	70,206	57,394	15,807	137,342	34,740	8,148	323,637	

(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 & 12 are the result of FEMA Disaster reimbursements for 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, 2012
(in thousands of dollars)

Fiscal Year Ended Sept. 30	Residential Property	Commercial Property	Industrial Property	Other Property
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	118,927,021	16,264,373	4,548,654	14,861,109
2012	118,197,808	16,363,470	4,305,761	14,991,121

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
\$ 7,057,718	\$ 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
8,584,234	99,221	163,284,612	152,332,012	28,062,318	124,269,694	4.9960
9,294,938	102,050	163,255,148	153,032,623	27,696,510	125,336,113	4.9925

TABLE VII
PALM BEACH COUNTY, FLORIDA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
September 30, 2012
(Per \$1,000 of Assessed Value)

Fiscal Year Ended Sept. 30	Direct Rates			Overlapping Rates							Total Countywide
	General Government	Debt Service Fund	Total Direct Rates	Palm Beach County School Board	South Florida Water Management District	Florida Inland Navigation District	Children's Services Council	Health Care District	Total Overlapping Rates		
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	
2012	4.7815	0.2110	4.9925	8.1800	0.4363	0.0345	0.7475	1.1250	10.5233	15.5158	

TABLE IX
 PALM BEACH COUNTY, FLORIDA
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 September 30, 2012

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
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
2012	855,036,629	29,541,270	825,495,359	818,681,741	99.2	5,333,645	824,015,386	99.8

Source: Palm Beach County Tax Collector's Office



TABLE X
PALM BEACH COUNTY, FLORIDA
Non-Ad Valorem Revenue
Last Ten Fiscal Years
September 30, 2012

Fiscal Year Ended Sept. 30	2012	2011	2010	2009
Charges for Other Services	\$ 78,347,467	\$ 79,154,771	\$ 87,470,077	\$ 81,137,945
Half-Cent Sales Tax	70,206,178	66,826,718	64,268,115	64,658,133
Electric Franchise Tax	31,407,084	33,262,458	34,017,118	29,913,714
Utility Service Tax	33,478,695	33,947,339	33,837,191	29,662,838
Communications Service Tax	24,914,036	24,125,967	25,645,070	26,446,677
State Revenue Sharing	24,222,170	22,779,584	21,985,390	22,072,684
Reimburse of Indirect Costs	16,335,055	18,015,373	15,912,878	14,277,742
Interest (3)	14,355,141	14,880,568	26,413,522	57,833,423
Miscellaneous	11,899,272	16,638,345	16,465,716	13,524,257
Parks & Recreation Fees	12,491,427	12,905,162	12,631,848	12,559,968
Licenses & Permits	5,691,190	5,404,452	5,375,253	5,609,587
Available Tourist Development Tax	5,764,332	5,096,099	4,643,837	4,469,298
County Officer's Fees	5,785,694	6,355,787	6,335,079	3,218,454
Animal Regulation Fees	2,976,200	2,779,778	2,751,155	3,107,008
Fines and Forfeitures	1,553,566	1,956,199	1,760,663	2,337,136
Excess Fees - Supervisor of Elections (1) (2)	4,928,198	5,125,239	2,642,680	855,558
Excess Fees - Sheriff (2)	17,889,890	17,777,509	15,635,667	17,192,263
Excess Fees - Clerk & Comptroller (2)	1,929,119	1,161,931	1,415,897	492,167
Parking Revenue	326,900	364,290	373,136	353,503
TOTALS	\$ 364,501,614	\$ 368,557,569	\$ 379,580,292	\$ 389,722,355

(1) In 2007, the Supervisor of Elections became a separate fiscal entity.

(2) 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.

(3) 2011 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.

2008	2007	2006	2005	2004	2003
\$ 49,967,579	\$ 47,855,195	\$ 37,429,716	\$ 31,166,150	\$ 30,867,264	\$ 29,437,466
72,375,457	76,120,744	80,019,101	76,660,073	73,705,133	66,973,342
25,042,044	25,495,545	25,022,599	20,836,584	17,905,261	17,824,293
30,543,325	29,824,203	28,882,669	28,074,005	27,196,819	28,314,364
28,992,767	29,489,576	28,514,647	28,392,841	26,277,301	22,016,697
24,757,350	26,814,892	27,881,333	26,153,737	25,040,944	22,917,694
13,357,131	12,222,067	11,583,034	11,820,470	9,823,540	9,315,887
34,257,321	38,635,994	28,689,237	12,433,189	12,338,681	11,170,042
23,109,714	34,917,301	45,918,261	27,320,733	16,706,987	13,699,517
12,311,308	10,555,850	11,033,646	9,882,421	9,474,905	9,477,537
5,965,537	6,205,700	6,189,425	6,720,920	6,377,608	3,874,911
5,562,744	5,672,139	5,882,141	5,629,094	4,962,054	4,332,524
2,750,190	2,233,823	2,404,971	2,188,985	4,220,421	5,771,908
2,802,393	2,299,257	2,467,856	2,662,967	2,510,009	2,541,806
1,979,045	2,206,725	2,611,542	1,930,511	8,027,054	8,093,869
1,481,382	651,827	-	-	-	-
7,697,452	10,290,391	3,048,686	8,762,824	8,015,401	16,216,318
503,679	2,785,224	11,295,945	15,255,452	10,879,034	7,472,330
213,747	270,741	254,324	260,879	296,471	362,934
<u>\$ 343,670,165</u>	<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>

DEBT CAPACITY INFORMATION

TABLE XI
PALM BEACH COUNTY, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
September 30, 2012
(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			
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	2.44	1,443
2009	270,150	924,052	41,327	3	947,943	76,000	2,259,475	3.33	1,755
2010	250,470	877,633	30,317	-	854,243	72,000	2,084,663	3.00	1,579
2011	226,545	848,086	36,129	-	327,938	-	1,438,698	N/A	1,085
2012	207,340	793,276	22,574	-	309,625	-	1,332,815	N/A	998

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 FY11 & FY12
(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 Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 September 30, 2012
 (dollars in thousands, except per capita)

Fiscal Year Ended Sept. 30	General Obligation Bonds Outstanding (1)	Less Restricted Resources	Net G.O. Bonds Outstanding	Total Property Assessed Value (2)	Net G.O. Bonds Outstanding as a Percentage of Total Property Assessed Value	County Population (3)	Net G.O. Bonds Outstanding Per Capita
2003	\$ 292,745	\$ 1,116	\$ 291,629	\$ 114,729,650	0.25%	1,211,448	\$ 240.73
2004	275,905	529	275,376	128,430,840	0.21%	1,242,270	221.67
2005	283,885	1,482	282,403	148,876,692	0.19%	1,265,900	223.08
2006	336,020	7,803	328,217	182,194,149	0.18%	1,287,987	254.83
2007	313,515	2,374	311,141	191,826,739	0.16%	1,295,033	240.26
2008	290,410	2,195	288,215	191,249,945	0.15%	1,294,654	222.62
2009	270,150	1,139	269,011	171,643,979	0.16%	1,287,344	208.97
2010	250,470	765	249,705	155,555,378	0.16%	1,320,134	189.15
2011	226,545	1,229	225,316	152,332,012	0.15%	1,325,758	169.95
2012	207,340	1,132	206,208	153,032,623	0.13%	1,335,415	154.41

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, 2012
(dollars in thousands)

	Debt Payable from Ad Valorem Taxes			Debt Payable from Non-Ad Valorem Revenues			Estimated Share of Direct & Overlapping Debt
	Debt Outstanding	Estimated Percentage Applicable based on Property Assessed Value	Estimated Share of Overlapping Debt	Debt Outstanding	Estimated Percentage Applicable based on Population	Estimated Share of Overlapping Debt	
Overlapping debt							
School District	\$ 30,650	100%	\$ 30,650	\$ 1,832,003	100%	\$ 1,832,003	\$ 1,862,653
South Florida Water Management District	-	100%	-	541,668	100%	541,668	541,668
Municipalities	<u>123,487</u>	40%	<u>49,395</u>	<u>392,631</u>	54%	<u>212,021</u>	<u>261,416</u>
Subtotal, overlapping debt	<u>\$ 154,137</u>		80,045	<u>\$ 2,766,302</u>		2,585,692	2,665,737
Direct debt			<u>207,340</u>			<u>815,851</u>	<u>1,023,191</u>
Total direct and overlapping debt			<u>\$ 287,385</u>			<u>\$ 3,401,543</u>	<u>\$ 3,688,928</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, 2012

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, 2012
(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			
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	
2012	62,979	38,206	364,502	3.60	163,369	100,798	62,571	6,465	9,263	15,728	3.98	

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, 2012

Year	Population	Personal Income	Per Capita Personal Income	Civilian Labor Force	Unemployment Rates
2003	1,211,448	\$54,088,344	\$44,404	590,677	6.2 %
2004	1,242,270	60,761,948	48,523	598,785	5.7
2005	1,265,900	65,286,449	51,070	622,443	4.1
2006	1,287,987	71,720,669	55,836	645,211	3.7
2007	1,295,033	75,585,800	58,749	650,548	4.8
2008	1,294,654	76,712,607	59,240	655,669	7.3
2009	1,287,344	67,866,247	51,910	626,400	11.7
2010 *	1,320,134	69,488,201	52,526	623,320	12.4
2011	1,325,758	N/A	N/A	621,616	10.9
2012	1,335,415	N/A	N/A	622,775	9.2

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 2011 and 2012.
 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
September 30, 2012

	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School Board	21,495	1	3.45%	18,677	1	3.16%
Palm Beach County Government	11,381	2	1.83%	9,000	2	1.52%
Tenet Healthcare Corp	6,100	3	0.98%	3,040	4	0.51%
NextEra Energy (Florida Power & Light)	3,635	4	0.58%	2,800	5	0.47%
G4S (Wackenhut Corp)	3,000	5	0.48%	-	-	-
Hospital Corporation of America (HCA) (1)	2,714	6	0.44%	4,000	3	0.68%
Florida Atlantic University	2,706	7	0.43%	-	-	-
Bethesda Memorial Hospital	2,391	8	0.38%	1,800	9	0.30%
Office Depot	2,250	9	0.36%	-	-	-
Boca Raton Regional Hospital	2,250	10	0.36%	-	-	-
Boca Raton Resort & Club	-	-	-	2,380	6	0.40%
U.S. Sugar Corporation	-	-	-	2,200	7	0.37%
The Breakers Hotel	-	-	-	1,800	9	0.30%
Florida Crystals	-	-	-	2,000	8	0.34%
Total	<u>57,922</u>		<u>9.29%</u>	<u>47,697</u>		<u>8.05%</u>

Source: Business Development Board of Palm Beach County

Notes:

(1) Formerly Columbia Palm Beach Health Care System, Inc

OPERATING INFORMATION

TABLE XVIII
PALM BEACH COUNTY, FLORIDA
County Government Employees by Function/Program
Last Ten Fiscal Years
September 30, 2012

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Facilities Development & Operations	307	318	330	358	386	392	370	357	346	349
Planning, Zoning & Building	252	263	278	333	400	401	393	389	389	390
Clerk & Comptroller (1)	759	760	758	857	821	803	750	713	731	748
Property Appraiser	266	266	266	280	280	280	276	272	268	261
Tax Collector	305	269	269	269	269	280	284	284	288	288
Supervisor of Elections	45	42	42	45	45	45	41	39	39	36
Other	595	610	642	454	470	489	475	477	499	499
Public safety										
Fire-Rescue	1,511	1,511	1,542	1,473	1,471	1,418	1,298	1,239	1,172	1,114
Sheriff	3,924	3,919	4,011	3,848	3,812	3,615	3,502	3,322	3,210	3,115
Other	314	331	341	349	372	368	342	335	275	265
Physical environment										
Environmental Resources Management	114	125	130	130	136	140	132	127	123	116
County Cooperative Extension Service	29	28	32	36	39	39	39	40	38	38
Transportation										
Palm Tran	549	549	548	555	570	570	561	545	539	527
Engineering & Public Works	291	310	324	337	344	352	346	343	338	328
Economic environment										
Economic Sustainability (4)	58	51	41	53	53	49	44	44	42	42
Other	80	74	55	57	60	60	61	62	60	50
Human services										
Community services	440	471	461	471	469	475	478	468	468	468
Other	13	14	15	15	15	16	15	14	14	14
Culture & recreation										
Parks & Recreation	569	595	624	657	699	720	698	634	619	595
County Libraries	419	452	452	452	481	416	394	384	377	369
Internal service funds										
Information System Services (2)	-	-	-	211	225	231	229	223	211	180
Graphics (3)	-	-	-	-	9	9	10	9	9	9
Fleet Management	59	60	64	70	72	69	69	68	68	65
Risk Management	30	30	32	36	37	37	37	36	36	36
Enterprise funds										
Airports	149	158	158	161	159	150	151	151	148	143
Water Utilities	558	558	561	505	518	499	440	433	427	423
Total	11,636	11,764	11,976	12,012	12,212	11,923	11,435	11,008	10,734	10,468

(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"

(4) Effective FY 2012, Housing & Community Development is now Economic Sustainability

Source: Office of Financial Management and Budget

TABLE XIX
PALM BEACH COUNTY, FLORIDA
Operating Indicators by Function/Program
Ten Fiscal Years
September 30, 2012

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government										
Planning, Zoning & Building										
Code enforcement violations	3,032	2,391	5,703	3,369	3,507	4,464	4,571	2,195	5,073	5,073
Construction plans reviewed	23,272	21,602	21,080	25,332	37,702	65,691	59,288	31,300	42,213	42,213
Permits issued	41,556	35,131	32,867	42,944	53,964	70,751	62,304	30,600	78,379	78,379
Public safety										
Fire-Rescue										
Response time	6:32	6:27	6:30	6:36	N/A	6:27	6:23	6:27	6:31	6:31
Fire responses	15,925	15,779	16,067	16,831	20,714	23,536	22,295	24,835	23,065	24,352
Medical responses	98,186	97,353	89,646	87,099	82,199	76,517	74,706	72,691	67,094	64,729
Inspections	29,114	30,073	27,013	27,044	25,475	22,281	20,079	18,630	16,936	15,632
Physical environment										
Environmental Resource Management										
Tonnage of artificial reef materials	12,800	18,400	10,000	1,650	3,150	4,900	23,484	35,900	23,300	3,000
Trees and plants planted or arranged	147,400	224,000	55,000	321,000	60,000	41,100	54,500	105,300	20,800	24,400
Cubic yards beach sand (thousands)	1,291	1,366	1,360	1,150	1,050	1,087	1,016	1,000	1,301	1,301
Transportation										
Palm Tran										
Passengers (millions)	11.0	10.3	10.0	9.8	10.1	9.3	8.3	7.5	7.1	6.3
Engineering & Public Works										
Land development permits issued	16	9	6	11	15	12	26	30	50	30
Lane miles of roads maintained	3,292	3,372	3,432	3,295	3,299	3,431	3,299	3,291	3,193	3,171
Lane miles resurfaced	9	22	52	53	45	35	50	86	62	77
Linear feet of roadway striped (millions)	1.8	1.0	1.0	1.8	1.1	0.8	1.4	1.7	1.5	1.2
Permits issued for construction of:										
right-of-ways, drainage and utilities	570	468	493	616	495	569	554	622	655	645
Economic environment										
Housing & Community Development										
Single-family new construction	0	3	0	25	60	2	0	29	8	8
Human services										
Enrollment - Head Start and Early Head Start	2,296	2,705	2,051	2,323	2,158	2,126	2,068	1,958	2,199	1,849
Children with disabilities	230	213	359	295	292	223	232	228	281	193
Meals - Head Start (thousands)	512	509	526	517	461	488	460	756	682	915
Culture & recreation										
Parks & Recreation										
Golf rounds played (thousands)	217	170	179	178	169	142	145	152	154	148
County Library										
Circulation (millions)	8.6	8.6	8.3	7.5	6.6	5.8	6.0	6.0	5.7	5.7
Cardholders (thousands)	563	556	535	517	499	486	477	469	459	451
Internal service funds										
Information System Services										
%CSRs on time - Applications	N/A	99%	85%	83%	82%	93%	92%	86%	85%	84%
Graphics										
% timely delivery	99%	99%	99%	99%	99%	98%	99%	99%	99%	99%
Risk Management										
# of employees enrolled in Health ins	4,316	4,316	4,776	5,388	5,297	4,191	4,250	3,900	3,800	3,524
# of employees enrolled in Dental ins	3,830	3,841	3,643	3,295	3,298	3,122	3,125	3,100	2,893	2,893
Enterprise funds										
Water Utilities										
Average water dwelling units served (thousands)	225	223	223	221	219	207	197	186	181	181
Average wastewater treated per day (millions of gallons)	35.0	37.9	37.1	34.1	33.4	35.7	36.1	33.2	32.4	31.9
Airports										
Total passengers (millions)	5.8	5.9	5.9	6.6	7.0	6.8	7.0	6.4	5.9	5.4
Operating expense per passenger (prior years restated)	\$7.19	\$7.51	\$7.78	\$6.74	\$5.84	\$5.84	\$5.41	\$5.59	\$5.81	\$5.98
Operating revenue per passenger (prior years restated)	\$11.38	\$10.83	\$10.79	\$9.72	\$9.43	\$9.44	\$8.73	\$8.23	\$8.08	\$8.26

N/A = Not available

Sources: Office of Financial Management and Budget
Department of Airports

Note: 2012 data is not yet available.

TABLE XX
PALM BEACH COUNTY, FLORIDA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
September 30, 2012

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public safety										
Fire Rescue										
Fire Stations	49	49	49	47	45	44	43	40	40	40
Transportation										
Palm Tran										
Buses	181	184	158	161	154	176	160	140	140	139
Engineering & Public Works										
County Roads (mileage)	1,282	1,282	1,282	1,288	1,285	1,297	1,294	1,295	1,295	1,361
Traffic Lights	1,192	1,200	1,192	1,289	1,150	1,160	1,120	1,095	1,104	1,045
Culture & recreation										
Parks & Recreation										
Developed acres	5,701	5,713	5,702	5,074	5,067	5,134	4,817	4,195	3,798	3,786
Enterprise funds										
Water Utilities										
Water mains (miles)	2,152	2,141	2,121	2,126	2,162	2,081	2,064	1,880	1,784	1,666
Storage and repump stations	17	17	17	17	17	18	10	11	11	12
Fire hydrants	16,582	16,353	16,235	16,066	15,866	15,630	14,834	13,396	12,517	12,013
Sewers (miles)	1,165	1,157	1,152	1,145	1,142	1,132	1,103	953	963	955
Pump stations	778	768	764	767	764	762	750	692	674	650

Source: Office of Financial Management and Budget



Sharon R. Bock
Clerk & Comptroller
Palm Beach County

www.mypalmbeachclerk.com

0.00	0.00	13.20	0.00	3.25	0.00	2.00
0.00	0.00	19.50	0.00	4.00	0.00	4.50
24.00	0.00	8.25	0.00	0.00	0.00	0.00
24.00	0.00	9.50	0.00	0.00	1.00	0.00
0.00	0.00	6.90	0.00	2.50	2.50	0.00
0.00	0.00	24.00	0.00	2.50	0.00	0.00
0.00	0.00	3.50	0.00	2.00	0.00	0.00
22.00	0.00	21.00	0.00	2.00	0.00	0.00
39.00	0.00	2.00	0.00	0.75	0.00	0.50
0.00	0.00	2.00	0.00	0.00	0.50	1.00
0.00	8.40	0.00	0.00	0.75	3.00	5.00
20	7.00	2.75	0.00	17.75	6.00	3.00