



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Palm Beach County, Florida
Fiscal Year Ended September 30, 2007



SHARON R. BOCK
Clerk & Comptroller
Palm Beach County

As the third largest of the 67 Clerk's offices in Florida, the Palm Beach County Clerk & Comptroller serves a local population of 1.3 million residents. The Clerk's 850 employees perform more than 1,000 different functions and provide services from seven locations and on the Internet at www.mypalmbeachclerk.com.

The Florida Constitution established the Clerk & Comptroller as a public trustee, directly elected by the public to serve four major functions:

CHIEF FINANCIAL OFFICER, TREASURER & AUDITOR – The Clerk is an elected, independent arm of County government who provides unbiased oversight, accounting and auditing of County funds. As Chief Financial Officer, the Clerk monitors the County's budget, revenue, debt and spending, and produces all required financial statements and reports. As Treasurer, the Clerk invests and earns interest income on County funds to reduce the tax burden on the residents of Palm Beach County. As County Auditor, the Clerk conducts risk-based and financial audits and is responsible for auditing every County expense to ensure it serves a public purpose.

COUNTY RECORDER – The Clerk & Comptroller maintains the Official Record Books of the County dating back to 1909. Documents such as mortgages, deeds, liens, judgments and marriage licenses are recorded and document images are retrievable through the Web site.

CLERK OF THE CIRCUIT COURT – The Clerk supports all of the County's criminal and civil courts by processing, recording and filing documents such as lawsuits, divorce agreements, wills, traffic tickets, domestic violence petitions and tenant evictions.

The Clerk also manages the County's jury system and provides a Self Service Center for residents who choose to represent themselves in court proceedings.

CLERK OF THE BOARD OF COUNTY COMMISSIONERS – The Clerk prepares and maintains the records of all Palm Beach County Commission meetings and is the Clerk to the County's Value Adjustment Board.

Court case records, Official Records and County Commission meeting minutes are available in the Clerk & Comptroller's offices and online at www.mypalmbeachclerk.com.

Other administrative duties of the Clerk include issuing marriage licenses, processing passport applications and maintaining the County's Domestic Partnership Registry.

The Clerk & Comptroller has earned the Governor's Sterling Award for Organizational Performance Excellence, the Excellence, Values, Integrity and Ethics (EVIE) Award for Corporate Best Practices Not-for-Profit/Government, and was designated a finalist for the Best Places to Work Award by the South Florida Business Journal.

PALM BEACH COUNTY, FLORIDA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2007

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, 2007

TABLE OF CONTENTS

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

Required Supplementary Information:

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

- General Fund 105
- Fire Rescue Special Revenue Fund..... 106
- Sheriff Special Revenue Fund..... 107

Schedules of Funding Progress - Pension Plans 108

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Descriptions 109

Combining Balance Sheet - Nonmajor Governmental Funds 112

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds 118

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

Special Revenue Funds:

Tourist Development..... 123

Law Enforcement Grants 124

County Transportation Trust 125

Municipal Service Taxing District..... 126

Library Taxing District..... 127

Community and Social Development..... 128

Affordable Housing (SHIP) Trust Fund..... 129

Hurricane Housing Recovery Plan Fund 130

Palm Tran 131

Other Special Revenue Fund 132

Clerk & Comptroller 133

Tax Collector 134

Property Appraiser..... 135

Supervisor of Elections..... 136

Debt Service Funds:

General Obligation Bonds..... 137

Revenue Bonds..... 138

Other Financing..... 139

Capital Projects Funds:

Criminal Justice..... 140

Environmental Lands 141

Fire Rescue..... 142

Major Fund - General Government..... 143

Libraries..... 144

Parks and Recreation..... 145

Major Fund - Road Program..... 146

Street and Drainage 147

Internal Service Funds

Descriptions 149
Combining Statement of Net Assets..... 150
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Assets..... 151
Combining Statements of Cash Flows 152

Agency Funds

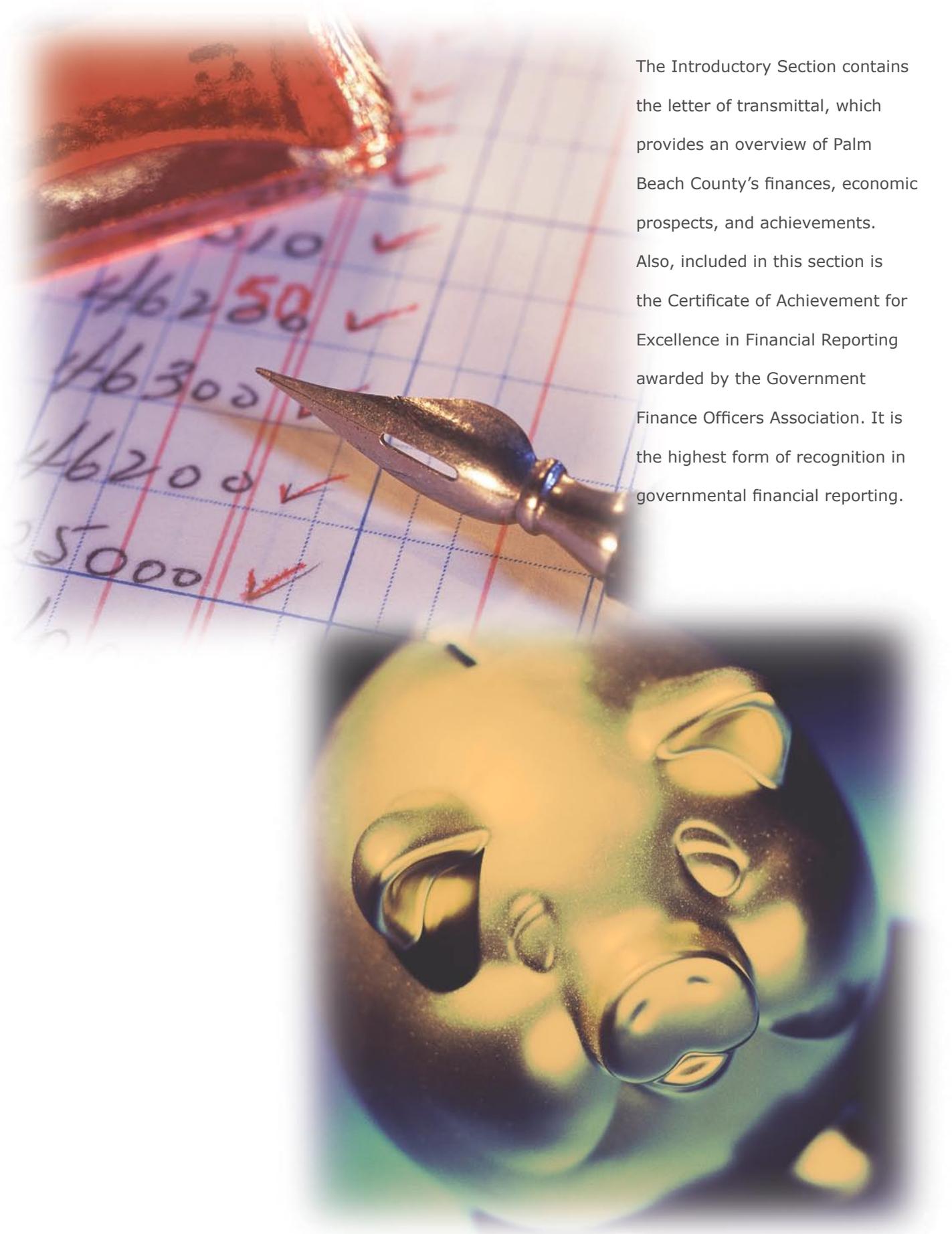
Descriptions 155
Combining Statement of Fiduciary Net Assets - Agency Funds..... 156
Combining Statement of Changes in Assets and Liabilities -
All Agency Funds 157

STATISTICAL SECTION

Net Assets by Component..... 166
Changes in Net Assets 168
Fund Balance – Governmental Funds..... 172
Changes in Fund Balance – Governmental Funds 174
Tax and Intergovernmental Revenue by Source..... 176
Assessed Value and Estimated Actual Value of Taxable Property 178
Direct and Overlapping Property Tax Rates 180
Principal Property Tax Payers..... 181
Property Tax Levies and Collections..... 182
Non-Ad Valorem Revenue 184
Ratios of Outstanding Debt by Type 187
Ratios of General Bonded Debt Outstanding..... 188
Direct and Overlapping Governmental Activities Debt..... 189
Legal Debt Margin Information..... 190
Pledged Revenue Coverage 191
Demographic and Economic Statistics..... 193
Principal Employers 194
Full-Time Equivalent County Government Employees by Function/Program..... 196
Operating Indicators by Function/Program..... 197
Capital Asset Statistics by Function/Program..... 198



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 19, 2008

To the residents of Palm Beach County, Florida and the Honorable Addie Greene, Chair, and the Members of the Board of County Commissioners:

The Palm Beach County, Florida, Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2007, is a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited by independent Certified Public Accountants in accordance with auditing standards generally accepted in the United States (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (GAGAS).

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

Independent Audits - In accordance with Sections 11.45 and 125.01, Florida Statutes, the Palm Beach County financial statements were audited by McGladrey & Pullen LLP, an independent Certified Public Accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2007 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, 2007 were fairly presented in conformity with GAAP.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the independent Certified Public Accountants' report.

PROFILE OF THE GOVERNMENT

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

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

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

Financial Reporting Entity - The separately elected members of the Board of County Commissioners (BOCC) and the Constitutional Officers together are the elected officials who are accountable to the residents of Palm Beach County. The officials holding these offices as of September 30, 2007 are identified on the page immediately following this letter. The organizations of the BOCC and the Constitutional Officers together comprise the Palm Beach County primary government.

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Palm Beach County is Florida's largest county in area and third largest in population. Growth has been the major influencing factor on the County during the last several years. Population has increased at an annual rate of 2.3 percent since 1990, which is one-half to one-third the

population growth rate of the 1980's. Tourism, construction and agriculture have been and continue to be the leading industries in the County. In addition, the County and State have provided incentives to boost the manufacturing sector.

Local Economy - Tourism - Palm Beach County government is making a concentrated and continuing effort to increase the number of visitors to our area each year. More than 70,000 people are employed in jobs related to the tourism industry with tourists contributing \$1.6 billion annually to the County's economy.

Agriculture – Although the County has seen a decrease in agricultural acreage due to urban development, it still leads Florida and all counties east of the Mississippi River in agricultural sales. With sales approaching \$2 billion, Palm Beach County is ranked eighth among all counties in the United States and leads the nation in the production of sugarcane and fresh sweet corn. It leads the State in the production of rice, bell peppers, lettuce, radishes, Chinese vegetables, specialty leaf, and celery. The 493,880 acres dedicated to agriculture represents 39 percent of the County's total land mass. It ranks third in Florida in nursery production and leads the state in agricultural wages and salary with more than \$355 million. Equestrian acreage in Palm Beach County continues to expand, currently ranking it as the second largest equine county in the state, behind Marion County.

Bio-Technology & Manufacturing - Electronics and other high tech products also play an important role in the County's local economy. The pending arrival of Scripps Research Institute will also provide a boost to the area's technology industry. The County is providing approximately \$235 million for land and buildings, and the State is contributing about \$369 million for operational expenses of the Scripps Research Facility. A "cluster" of related biotech businesses will form a hub around Scripps, strengthening the County's position as a leader in the industry.

In September 2007, the Board tentatively committed \$87 million in County funding for construction of the Max Planck Society's (MPS) headquarters at Florida Atlantic University's (FAU) Jupiter campus. The conceptual approval of this facility moves the County closer to being a leader in biotechnology research and development. It is estimated that hundreds of jobs will be created by MPS' partnering with FAU and the Scripps Institute.

An expanding population has increased demand for essential services such as law enforcement, fire rescue, human services, transportation and recreation. Additional residents and visitors place increased demands on existing facilities creating expanded maintenance needs and ultimately the need for new and larger facilities.

Long-Term Financial Planning - The BOCC adopted a millage rate of 4.28 mills for Fiscal Year (FY) 2007, a decrease from the 4.45 mills rate in FY 2006. The FY 2007 budget provided funding at the level and quality of services expected by the residents of the County while maintaining a level of reserves sufficient to maintain the County's AAA General Obligation bond rating. The total countywide millage rate, including voted debt, resulted in taxes per capita of \$543.11.

Recent projects include contracts for construction of water and wastewater lines to serve the Glades area, expansion of the Cypress Creek Natural Area, issuance of bonds for the creation of low and moderate-income housing through the Housing Finance Authority, and adoption of agreements with the Scripps Institute for permanent facilities in Palm Beach County.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment, referred to as Amendment 1, was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 and \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their "Save Our Homes" benefits to their next homestead when they move. "Save Our Homes" became effective in 1995 and caps the annual increase in assessed value for homestead property to 3 percent or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 caps the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to 10 percent, except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

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

Based on information received from OFMB, the estimated annual loss of property tax revenues for the County from the additional homestead exemption and the \$25,000 exemption for tangible personal property is approximately \$38 million. At present, there is no accurate way to determine the impact of the portability and assessment cap on non-homestead property provisions in terms of potential gain or loss of property tax revenues.

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

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

As Treasurer, the Clerk invests and earns interest income on County funds to reduce the tax burden on the residents of Palm Beach County. Investments include various U.S. Treasury and U.S. Agency obligations (including specific mortgage-backed securities), highly rated corporate debt, money market funds, and shares of Local Government Surplus Funds Trust Fund – a pooled account of local government funds invested by the Florida State Board of Administration (SBA). Further discussion of the County's investment exposure to the SBA can be found in Notes 2 and 17 to the financial statements.

At September 30, 2007, the consolidated portfolio managed by the Clerk & Comptroller was \$1.73 billion and the overall book yield was 5.17 percent. This exceeded the Investment Policy

Committee's benchmark, which is the 24-month moving average of the two-year Constant Maturity Treasury Index yield of 4.70 percent. The investment portfolio balance ended the year \$90 million less than at the beginning of the year. During the year, the overall yield increased 41 basis points to 5.17 percent; and investment income grew by 20 percent, from about \$88 million to more than \$105 million.

During the fiscal year, the Clerk & Comptroller continued to implement strategies to position the portfolio in anticipation of a decline in interest rates. These strategies included extending overall duration to 2.59 years and rebalancing certain securities to increase overall portfolio yield. As we move forward, the Clerk & Comptroller will closely monitor cash flows, duration, yield, interest rate sensitivity and overall portfolio performance in light of the potential for further economic weakness and further declines in interest rates. In doing so, dynamic cash flow and optimization models will continue to be utilized.

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

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

The *Water Utilities Department* provides potable water, wastewater, and reclaimed water services to approximately 507,000 people located within approximately 1,200 square miles of the rapidly urbanizing, primarily unincorporated area of the County. In addition to serving unincorporated areas, the Department provides services directly to the residents and businesses of the Village of Royal Palm Beach, the City of Greenacres and the Town of Haverhill.

The *Solid Waste Authority* has the power to construct and operate solid waste disposal facilities sufficient to effectively manage all solid waste generated in the County. The Solid Waste Authority operated one active landfill site for the year ended September 30, 2007. In addition, the Solid Waste Authority is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991.

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

Retirement System - The County participates in the Florida Retirement System, a public employee retirement system administered by the State of Florida. The plan is a multiple-employer cost sharing defined benefit plan which covers almost all officers and regular employees. Employees make no contributions to the plan. The County's contribution to the

system for fiscal year 2007 was approximately \$87.9 million, which was equal to the required contributions for the year.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Palm Beach County, Florida, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2006. This was the 18th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

The County has also received its first ever Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended September 30, 2006. This award is given for those reports whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

In addition, Palm Beach County also received the GFOA's Award for Distinguished Budget Presentation for its annual adopted budget for the fiscal year beginning October 1, 2006. This was the 21st time that Palm Beach County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

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

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

Respectfully submitted,

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

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

PALM BEACH COUNTY, FLORIDA
PRINCIPAL OFFICIALS
AS OF SEPTEMBER 30, 2007

BOARD OF COUNTY COMMISSIONERS

ADDIE L. GREENE
County Commission Chair
District #7

KAREN T. MARCUS
County Commissioner
District #1

MARY MCCARTY
County Commissioner
District #4

JEFF KOONS
County Commissioner
District #2

BURT AARONSON
County Commissioner
District #5

ROBERT J. KANJIAN
County Commissioner
District #3

JESS R. SANTAMARIA
County Commissioner
District #6

APPOINTED OFFICIALS

COUNTY ADMINISTRATOR Robert Weisman

COUNTY ATTORNEY Denise Nieman

COMMISSION AUDITOR Joseph F. Bergeron

CONSTITUTIONAL OFFICERS

Sharon R. Bock
CLERK & COMPTROLLER

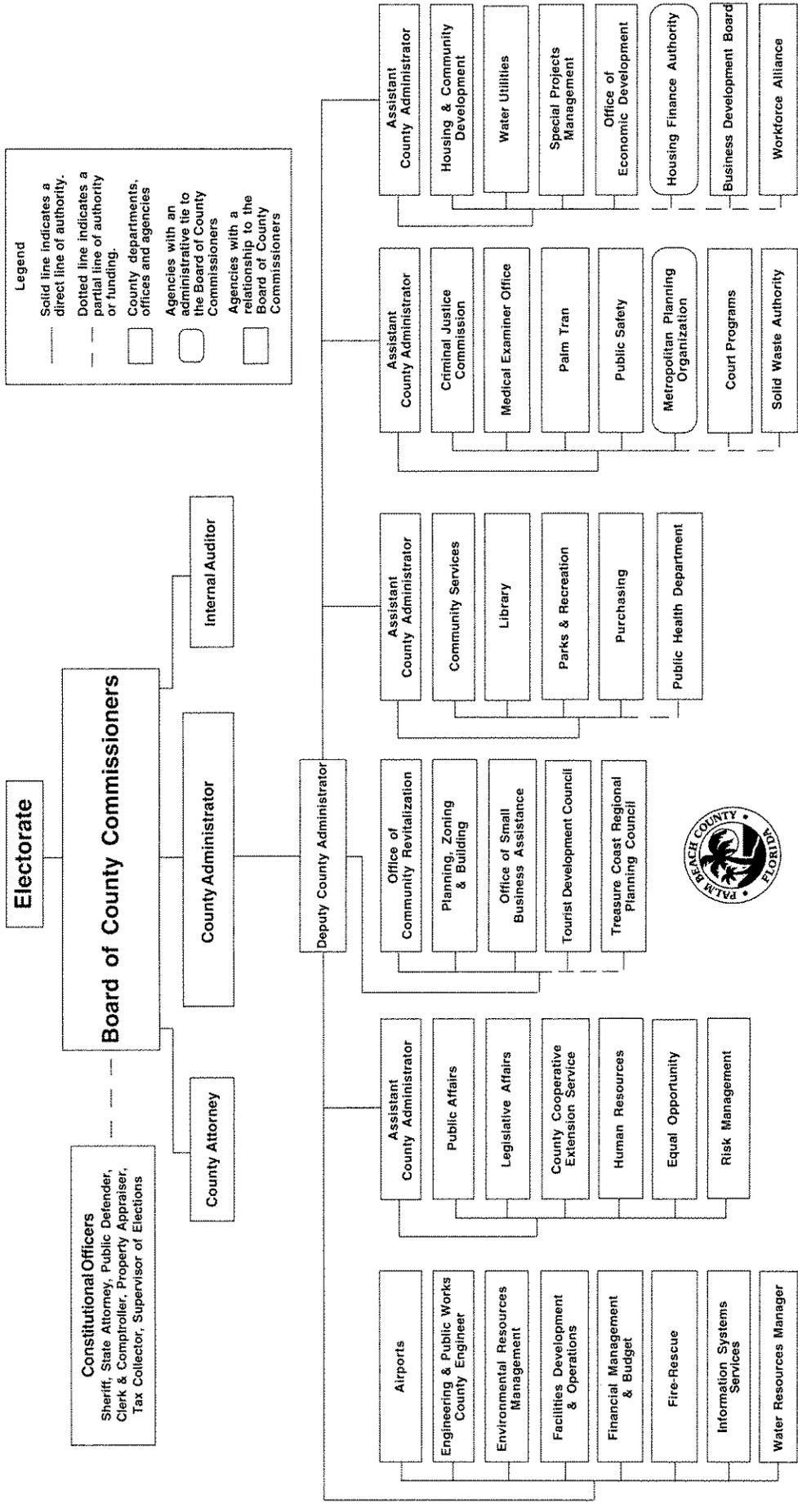
Arthur Anderson
SUPERVISOR OF ELECTIONS

Gary R. Nikolits
PROPERTY APPRAISER

Anne Gannon
TAX COLLECTOR

Ric Bradshaw
SHERIFF

Palm Beach County Organizational Structure as of FY 2006-2007



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, 2006

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.



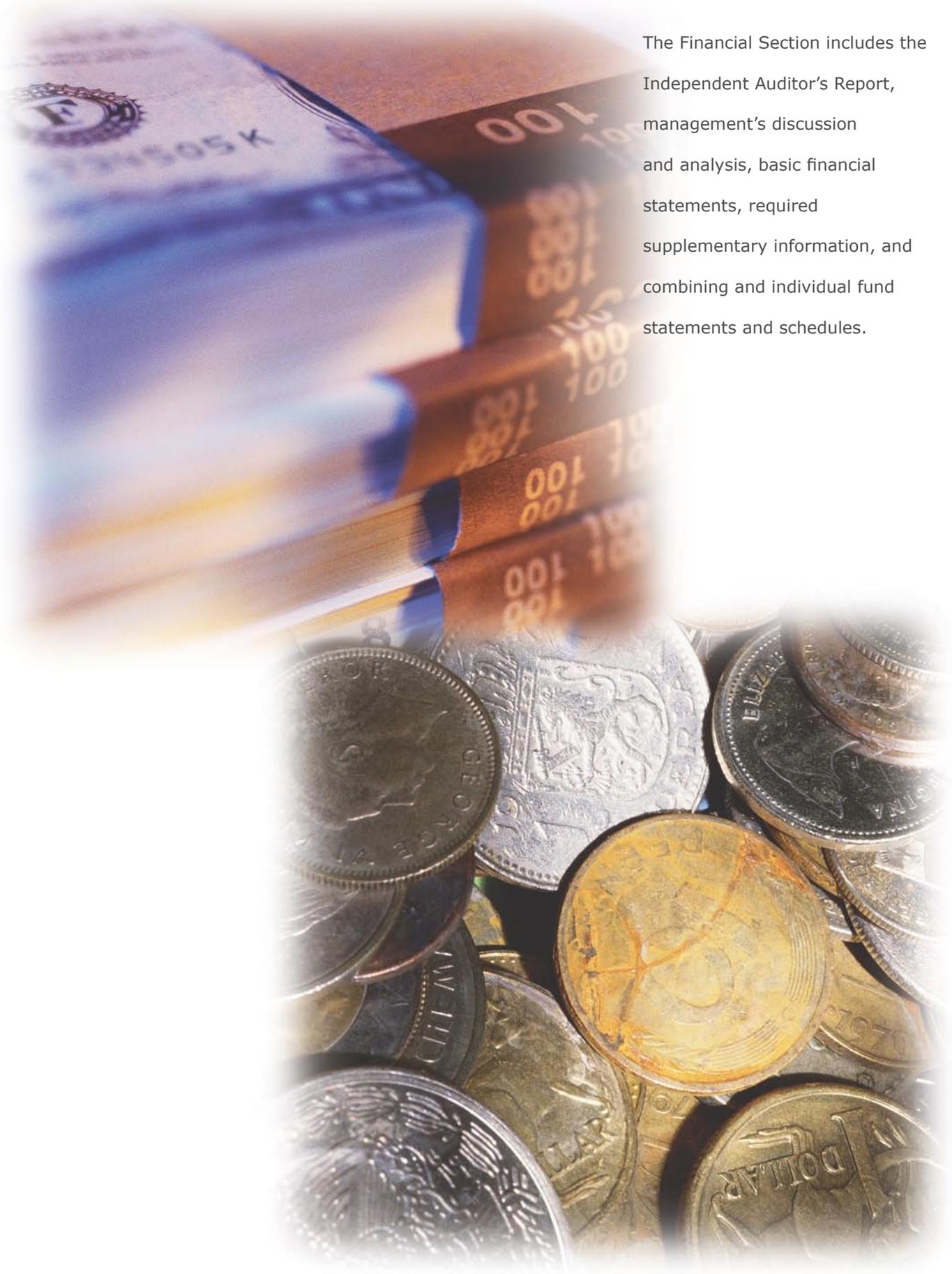
Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

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



McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

Honorable Ric L. Bradshaw
Sheriff

Honorable Sharon R. Bock
Clerk and Comptroller

Honorable Arthur Anderson
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, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Solid Waste Authority, a major enterprise fund, which represents 27% of the total assets and 53% of total revenues of the business-type activities. We did not audit the financial statements of the Westgate Belvedere Homes Community Redevelopment Agency, a discretely presented component unit, which represents 43% of the total assets and 45% of total revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Housing Finance Authority, a discretely presented component unit, which represents 55% of the total assets and 28% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Solid Waste Authority, Westgate Belvedere Homes Community Redevelopment Agency, and Housing Finance Authority, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Palm Beach County, Florida, as of September 30, 2007, 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 our report dated March 19, 2008 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages xiii through xxviii, the Budgetary Comparison Schedules – General Fund, Fire Rescue Special Revenue Fund and Sheriff Special Fund on pages 105 through 107 and the schedules of funding progress on page 108 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

West Palm Beach, Florida
March 19, 2008

A composite image featuring a hand holding a stack of US dollar bills in the upper left, and a close-up of a calculator keyboard in the lower right. The background is a soft, light blue gradient.

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, 2007. 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 \$3.838 billion and \$3.561 billion at the close of fiscal years 2007 and 2006, respectively. Of these amounts, \$2.346 billion and \$2.098 billion were invested in capital assets, net of related debt. In addition, \$788.2 million and \$728.5 million were restricted by law, grant agreements, debt covenants, or for capital projects. As a result, \$704.3 million and \$734.2 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 \$277.5 million, an increase of approximately 7.8% from the previous year. Approximately \$146.3 million of this increase was from business-type activities. Approximately \$131.2 million of the increase was from governmental activities.
- At September 30, 2007, the County's governmental funds reported a combined ending fund balance of \$1.410 billion, a decrease of \$73.9 million or 5.0% from the previous year.
- At September 30, 2007, the unreserved fund balance for the General Fund was \$240.8 million and the total fund balance was \$242.8 million which is an increase of \$21.3 million or 9.6% from the previous year.
- The County's three enterprise funds, the Department of Airports, the Water Utilities Department, and the Solid Waste Authority had increases in net assets of \$24.6 million, \$51.8 million and \$70.6 million, respectively, over the previous year.
- The County's total liabilities at September 30, 2007 and 2006 were \$2.195 billion and \$2.134 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 (see chart on next page).



Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental funds

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

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

Proprietary funds

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

Fiduciary funds

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

Notes to the financial statements

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

Other information

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

Government-wide Financial Analysis

Over time, net assets may serve as the most useful indicator of a government's financial position. At September 30, 2007 and 2006, the County's total net assets, or total assets less liabilities, were \$3.838 billion and \$3.561 billion, respectively. A significant portion of the County's net assets, \$2.346 billion or 61.1%, 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, 2007 and 2006, 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 thousands)

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2007	2006	2007	2006	2007	2006
Assets						
Current and other assets	\$ 1,745,922	\$ 1,744,925	\$ 575,790	\$ 667,161	\$ 2,321,712	\$ 2,412,086
Capital assets	2,096,057	1,872,371	1,615,468	1,410,545	3,711,525	3,282,916
Total assets	<u>3,841,979</u>	<u>3,617,296</u>	<u>2,191,258</u>	<u>2,077,706</u>	<u>6,033,237</u>	<u>5,695,002</u>
Liabilities						
Current	369,961	272,943	127,777	113,219	497,738	386,162
Long-term debt due in more than one year	1,097,067	1,100,598	600,357	647,673	1,697,424	1,748,271
Total liabilities	<u>1,467,028</u>	<u>1,373,541</u>	<u>728,134</u>	<u>760,892</u>	<u>2,195,162</u>	<u>2,134,433</u>
Net Assets						
Invested in capital assets, net of related debt	1,258,859	1,149,700	1,086,676	948,166	2,345,535	2,097,866
Restricted	691,922	653,306	96,296	75,198	788,218	728,504
Unrestricted	424,170	440,749	280,152	293,450	704,322	734,199
Total net assets	<u>\$ 2,374,951</u>	<u>\$ 2,243,755</u>	<u>\$ 1,463,124</u>	<u>\$ 1,316,814</u>	<u>\$ 3,838,075</u>	<u>\$ 3,560,569</u>

Governmental activities

Governmental activities were responsible for a \$131.2 million increase in the County's net assets. The growth in net assets from governmental activities represented 47.3% of the County's total growth in net assets. The increase in net assets is attributed to significant increases in two revenue categories:

- An increase in property values accompanied by a small reduction in the overall millage rates resulted in additional ad valorem tax revenue for the year. The assessed value of taxable property located in the County (after exemptions) grew from \$138.7 billion in 2006 to \$146.6 billion in 2007. This represented an increase of \$7.9 billion or 5.7%. Gross property taxes levied for fiscal year 2007 rose from \$831.9 million in 2006 to \$978.1 million for 2007, an increase of \$146.2 million or 17.6%.
- Investment income grew significantly. This is due to several factors, including the overall yield increasing 41 basis points to 5.17% and rebalancing certain securities to increase overall portfolio yield.

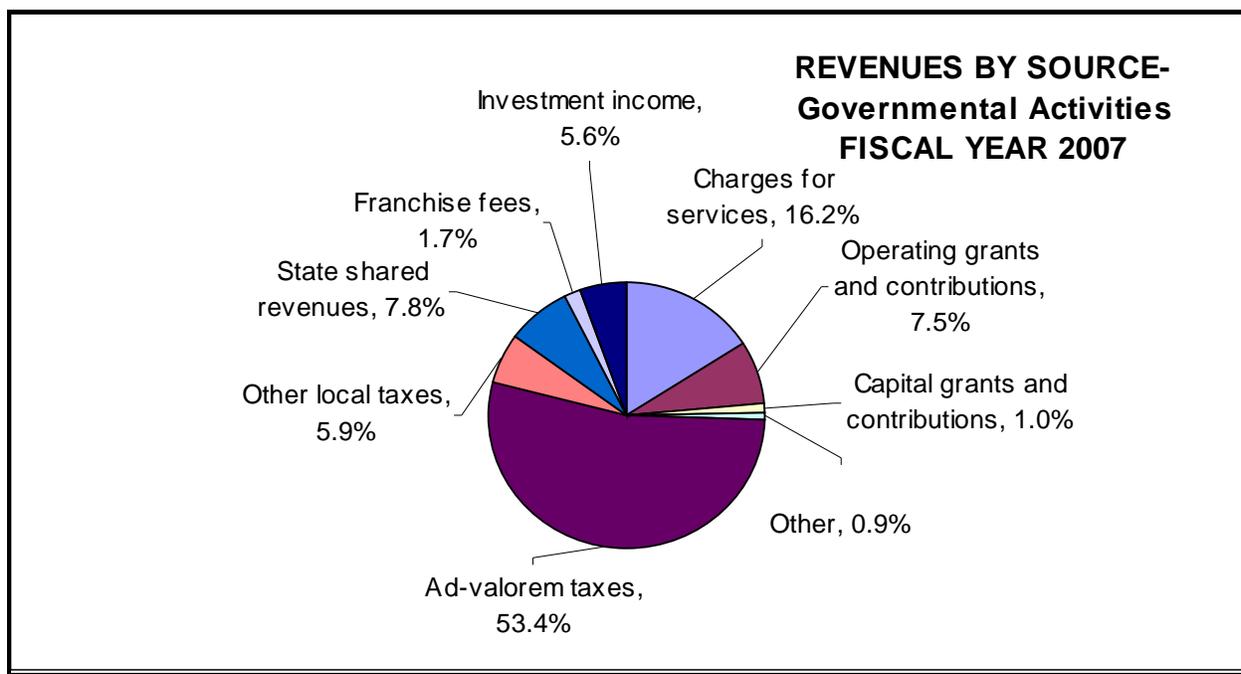
Key elements on the increase in net assets during fiscal year 2007 are on the chart on the following page.

Operating grants and contributions decreased \$37.1 million. This was partially due to additional funds being received from the Federal Emergency Management Agency for hurricane related reimbursements in fiscal year 2006. Since there were no hurricanes during fiscal year 2007, no additional operating grant revenues were recorded during fiscal year 2007.

Investment income increased \$23.5 million. The overall increase was due to an increase in realized interest earnings during the year due to rising market interest rates earned during the fiscal year.

Transportation expenses increased \$22.2 million primarily due to higher transportation related expenditures related to operations (gasoline costs) and maintenance.

The County's governmental activities had net expenses of \$1.193 billion. However, these services are intended to be primarily funded by taxes and other general revenues as opposed to charges for service and grants. Total revenues (both program and general revenues) exceeded total expenses by \$133.7 million.



Business-type activities

The County's business-type activities had total revenues of \$481.4 million and had total revenues in excess of total expenses of \$143.8 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.

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

	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues:						
Charges for services	\$ 285,765	\$ 340,030	\$ 380,467	\$ 347,556	\$ 666,232	\$ 687,586
Operating grants and contributions	132,204	169,339	43,763	81,160	175,967	250,499
Capital grants and contributions	18,203	18,861	57,147	86,049	75,350	104,910
	<u>436,172</u>	<u>528,230</u>	<u>481,377</u>	<u>514,765</u>	<u>917,549</u>	<u>1,042,995</u>
General Revenues:						
Ad valorem taxes	939,720	800,033			939,720	800,033
Other local taxes	104,310	101,556			104,310	101,556
State shared revenues	137,690	141,613			137,690	141,613
Franchise fees	30,005	29,708			30,005	29,708
Investment income	98,855	75,370			98,855	75,370
Other	16,446	5,275	20	3,464	16,466	8,739
Total revenues	<u>1,763,198</u>	<u>1,681,785</u>	<u>481,397</u>	<u>518,229</u>	<u>2,244,595</u>	<u>2,200,014</u>
Expenses						
General government	353,586	334,222			353,586	334,222
Public safety	648,701	594,770			648,701	594,770
Physical environment	28,637	22,759			28,637	22,759
Transportation	169,133	146,886			169,133	146,886
Economic environment	160,162	70,954			160,162	70,954
Human services	100,967	92,500			100,967	92,500
Culture and recreation	119,260	135,555			119,260	135,555
Interest expense	49,028	46,868			49,028	46,868
Department of Airports			66,277	65,296	66,277	65,296
Water Utilities Department			112,853	98,664	112,853	98,664
Solid Waste Authority			158,485	211,846	158,485	211,846
Total expenses	<u>1,629,474</u>	<u>1,444,514</u>	<u>337,615</u>	<u>375,806</u>	<u>1,967,089</u>	<u>1,820,320</u>
Excess	133,724	237,271	143,782	142,423	277,506	379,694
Transfers In (Out)	(2,528)	(11,055)	2,528	11,055	-	-
Special items	-	-	-	(32,214)	-	(32,214)
Change in net assets	<u>131,196</u>	<u>226,216</u>	<u>146,310</u>	<u>121,264</u>	<u>277,506</u>	<u>347,480</u>
Beginning net assets	2,243,755	2,017,539	1,316,814	1,195,550	3,560,569	3,213,089
Ending net assets	<u>\$ 2,374,951</u>	<u>\$ 2,243,755</u>	<u>\$ 1,463,124</u>	<u>\$ 1,316,814</u>	<u>\$ 3,838,075</u>	<u>\$ 3,560,569</u>

Financial Analysis of the Government's Funds

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

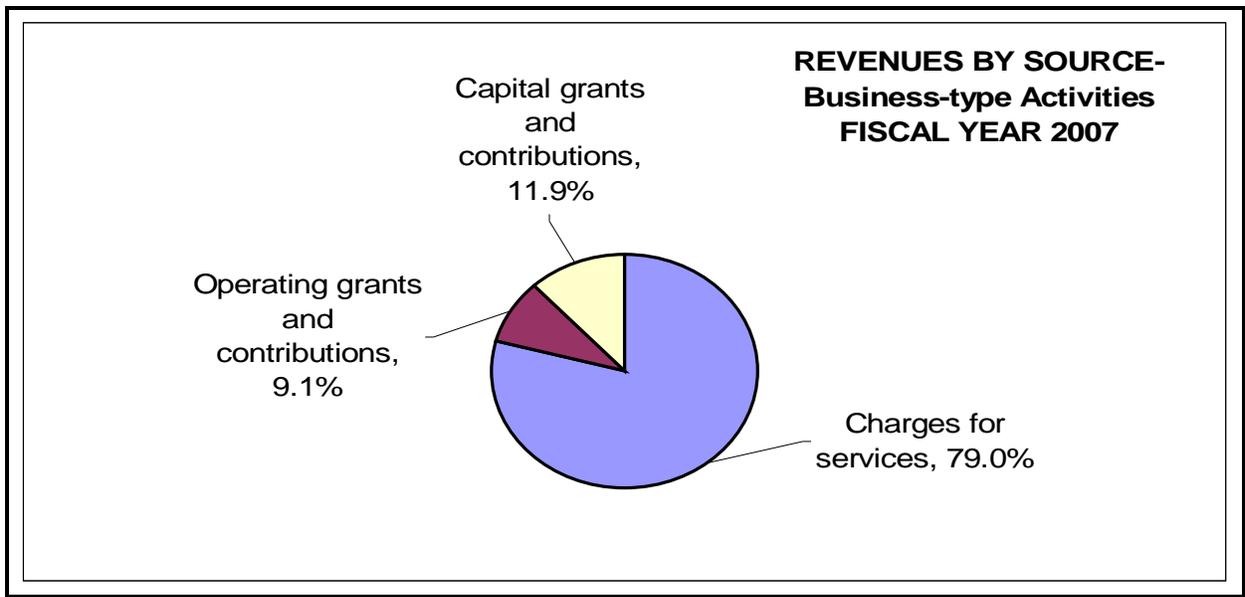
Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in determining the County's financing resources. Unreserved fund balance, in particular, is a useful measure of a government's net resources available for spending at the end of a fiscal year.

Changes in Fund Balance – Governmental Funds

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

- General Fund growth in fund balance can be attributed to investment earnings in excess of budget, the Sheriff's return of \$10 million in excess fees, and the net over-collection/under-spending of the various departmental budgets.
- Balances in the Capital Project funds decreased by \$99 million (24%) due to project activity and completions. Most of the major projects are multi-year projects, funded in the first year, with the unspent balance carrying over into subsequent years. Fund balance not designated for a specific project in the Road Program is carried over and held in reserve for future projects.
- Fund balance in the Fire-Rescue special revenue fund increased due to a planned increase in reserves to offset future operating needs. Also, increased investment earnings and un-expended salary budget for disaster recovery is available for carry over.
- In FY 2007, over \$88 million in ad valorem equivalent funding was provided for capital projects, including street and drainage improvements, park improvements, new computer technology, and facility renovations. Additionally, bond/loan proceeds were recognized to fund other capital projects, including Judicial Parking Garage, South County Golf Course and Environmentally Sensitive Lands. These projects are multi-year projects, whose budgets are established at inception when the revenue is recognized. The expenditure budgets carry over into the ensuing years.

At September 30, 2007, the County's governmental funds reported combined ending fund balances of \$1.410 billion, a decrease of \$73.9 million from the previous year. This decrease was the result of a combination of the \$1.8 million decrease in the ending fund balance of the Road Program Capital Projects Fund; an increase in the General Fund of \$21.3 million; an increase in the Fire Rescue Special Revenue Fund of \$17.9 million; an increase in the Sheriff Special Revenue Fund of \$2.8 million; a decrease in the General Government Capital Projects Fund of \$51.2 million and a decrease in Other Governmental Funds of \$62.9 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 rose by 3%, increasing from \$64.2 million to \$66 million. Components include an increase in parking revenues of \$1 million and an increase in landing fee revenue of \$400,000. Both revenue increases were attributable to rate increases over the prior year.
- ➔ Operating expenses increased by 3%, totaling \$41 million in fiscal year 2007. Maintenance expenses increased by 11% due to additional equipment maintenance (loading bridges, baggage systems, escalators, vehicles) and additional janitorial costs due to increased terminal areas to maintain.
- ➔ Operating income after depreciation remained at \$5.1 million.
- ➔ Non-operating revenues from Passenger Facility Charges (PFC) increased from \$9.4 million to \$10.7 million. Actual PFC receipts in fiscal year 2007 were substantially the same as receipts in fiscal year 2006.

Water Utilities Department:

- ◆ The Department's net assets increased by \$51.8 million, or 6.4%, during the year.
- ◆ Long-term debt (net of the current portion) decreased by \$13.7 million, or 7.1%, during the year.

- ◆ Operating revenues in fiscal year 2007 totaled \$101.2 million, a 12.7% increase. Fiscal year 2007 also included the effect of an 18% on-line rate increase effective in May, 2007 and a 1.6% increase in the customer base. These were offset by the effects of mandatory water restrictions imposed by the South Florida Water Management District.
- ◆ Operating expenses before depreciation and amortization and equity interest in net loss of joint venture totaled \$73.8 million, an increase of \$8.3 million or 12.7%.
- ◆ Non-operating revenue increased by \$0.3 million, or 2.7% in fiscal year 2007.
- ◆ The Department's total income before contributions and transfers remained strong at \$5.3 million.

Solid Waste Authority:

- ✓ The Authority's assets exceeded its liabilities (net assets) by approximately \$276.8 million at the close of fiscal year 2007. Of this amount, approximately \$102.9 million is considered unrestricted and pursuant to the Authority's trust indenture is available for renewal and replacement of the solid waste system and capital improvements.
- ✓ The Authority's revenues and capital contributions exceeded expenses by approximately \$70.6 million for fiscal year 2007.
- ✓ In fiscal year 2007 the Authority received approximately \$7.8 million from federal and state agencies for reimbursement of costs associated with the clean-up efforts following Hurricanes Wilma, Frances, and Jeanne.
- ✓ The Authority repaid three line of credit agreements that were entered into for the purpose of financing the costs incurred in connection with the removal and disposal of debris and the cost to repair damaged facilities resulting from Hurricanes Wilma, Frances, and Jeanne.
- ✓ During fiscal year 2007, the Authority received insurance proceeds of approximately \$4.55 million relating to a fire that damaged the Authority's waste-to-energy facility in October 2005. The facility was shut down for approximately one month and returned to operation.
- ✓ Tipping Fee revenue for fiscal year 2007 declined by approximately \$7.6 million from fiscal year 2006. This is due in large part to higher than normal amounts of debris being brought to the Authority in 2006 resulting from hurricane activity.
- ✓ The Authority is beginning an aggressive capital renewal and expansion program. As a result of this effort, assessment rates were increased resulting in an increase in assessment revenue of approximately \$22.5 million in fiscal year 2007.

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 2007, supplemental appropriations to the Board of County Commissioners' budget excluding component units, were approximately \$281.2 million, or approximately 6.4% of the original adopted budget.

Differences between the original budget for fiscal year 2007 and the final amended budget for the General Fund can be summarized as follows:

- Reappropriations, which represent the “true up” of beginning fund balance to actual fund balance, accounted for \$26.4 million of the difference between adopted budget and the final budget.
- The Utility Tax - Electricity fund was established during the year and the related budget of \$29.6 was moved from the General Fund.
- Additional budget amendments throughout the year accounted for the remaining increase in final budget. The most significant of these increased the Sheriff's budget providing for the establishment of contracts for off-duty patrol and contracts between the Sheriff's Office and the municipalities of Royal Palm Beach and Belle Glade.

Budget to Actual Expenditures

- General Fund budgeted reserves had a balance at year-end of \$169 million which represents 85% of the total unexpended appropriations in the fund. These unexpended funds will be carried over into FY 2008 and will be reappropriated.
- The Tax Collector and Property Appraiser returned/underspent approximately \$6.8 million.
- The remaining unspent funds can be attributed to County departments, overall, spending less than budgeted.

Budget to Actual Revenues

General Fund collections exceeded budget for the year:

- Ad valorem tax collections were 96% of budget, in line with the historical collection rate. Florida Statutes require revenues to be budgeted at 95% of reasonably anticipated receipts. Palm Beach County budgets a negative 5% statutory reserve to accomplish this. Allowing for the reserve, ad valorem taxes were actually over-collected by \$7 million.
- Investment Income exceeded budget by 130%. A significant portion of the difference is attributable to interest earned by the Tax Collector and Sheriff's Office. Moreover, a positive GASB 31 adjustment attributed to an increase in the year-end valuation of investments.

Budget to Actual – Other financing sources

Transfers in:

- Actual transfers in includes \$13.7 million of excess fees received from the Sheriff and Clerk & Comptroller. Excess fees received from the Sheriff were \$10.9 million more than budgeted. Budgeted transfers in totaling \$6 million from the Sales Tax fund did not occur during the year due to under-collection of Sales Tax.

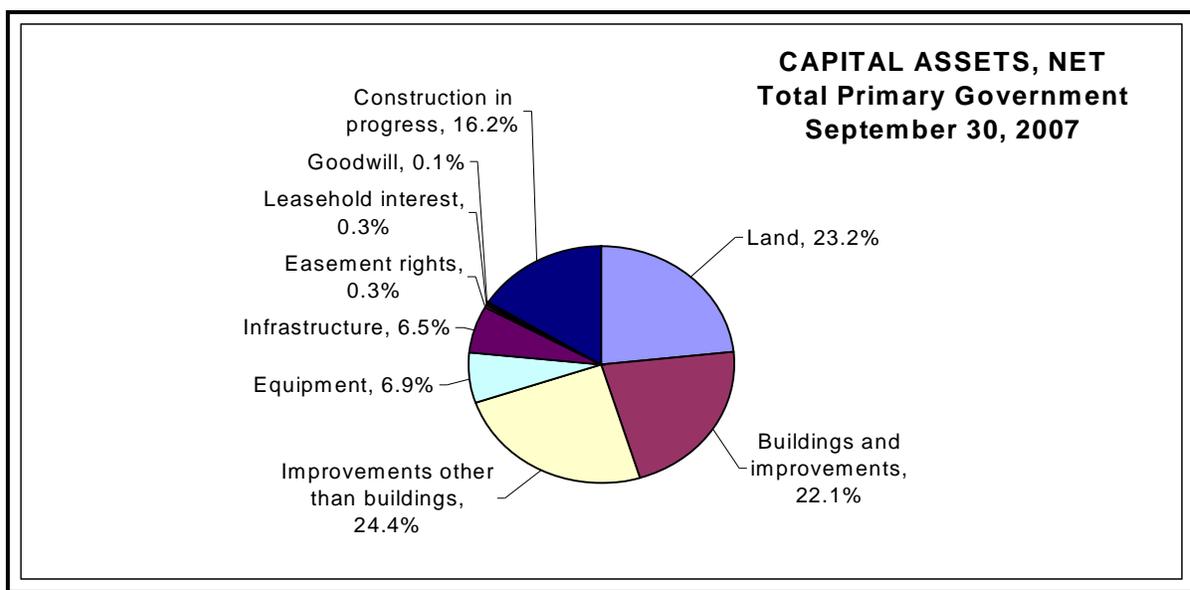
Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2007, amounts to \$3.712 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 2007 was 13.1% (a 11.9% increase for governmental activities and a 14.5% increase for business-type activities).

Palm Beach County, Florida						
Capital Assets, net of Accumulated Depreciation at Year-End (in thousands)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2007	2006	2007	2006	2007	2006
Primary Government:						
Land	\$ 700,759	\$ 635,818	\$ 160,616	\$ 152,268	\$ 861,375	\$ 788,086
Buildings & improvements	514,835	449,203	305,701	310,577	820,536	759,780
Improvements other than buildings	126,738	88,417	779,446	684,201	906,184	772,618
Equipment	177,299	150,631	77,606	77,657	254,905	228,288
Infrastructure	241,558	244,798	-	-	241,558	244,798
Easement rights	-	-	11,613	-	11,613	-
Leasehold interest	-	-	10,257	11,457	10,257	11,457
Goodwill	-	-	5,032	5,209	5,032	5,209
Construction in progress	334,868	303,504	265,197	169,176	600,065	472,680
TOTALS	\$ 2,096,057	\$ 1,872,371	\$ 1,615,468	\$ 1,410,545	\$ 3,711,525	\$ 3,282,916

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

- Substantially completed projects for 2007 include the Park Ridge Golf Course for \$9.0 million, the Therapeutic Recreation Complex for \$10 million, District Park “F” (Acreage) for \$11.4 million, the Jim Brandon Equestrian Center for \$11.3 million, and Glades Pioneer Park Pool for \$4.3 million.
- Major capital asset additions by the Water Utilities Department included the completion of the Northern Region Pipeline for \$60.9 million, the completion of water treatment plant improvements for \$18.9 million and construction of the Century Village Reclaimed Water Facility for \$5.9 million.
- The Solid Waste Authority expended approximately \$45.2 million on capital assets, which included approximately \$9 million for equipment, \$12.2 million for construction costs associated with the construction of a golf course on the site of the closed Lantana landfill and \$8.2 million for landfill cell construction.
- The Department of Airports expended \$90.3 million on capital activities. Completed projects during 2007 totaling \$10.3 million were transferred from construction-in-progress to their respective capital accounts. The major project during fiscal year 2007 was construction of an additional long term parking garage which is scheduled for completion in early calendar year 2008.



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

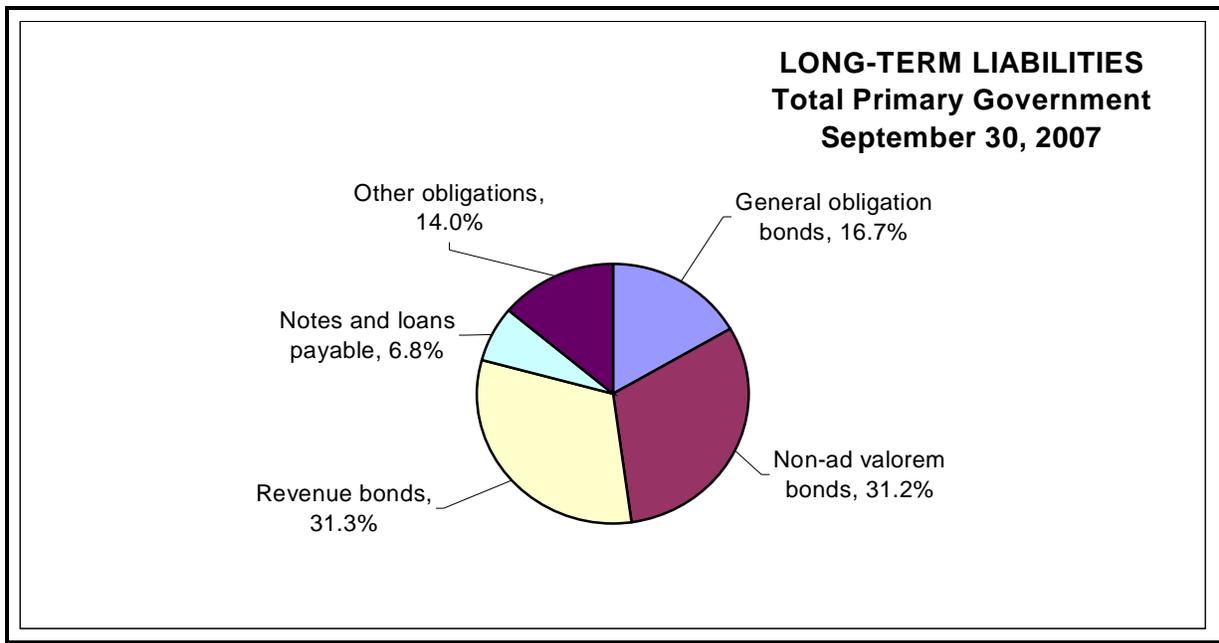
Long-term liabilities. At September 30, 2007, the primary government had 43 issues of bonded debt totaling \$1.493 billion. Of this amount, \$316 million comprises debt backed by the full faith and credit of the government, \$586 million is special obligation debt secured by dedicated revenue sources and \$591 million is secured by specified enterprise revenue sources. See chart below for more information.

Palm Beach County, Florida						
Long-Term Liabilities at Year-End (in thousands)						
	Governmental Activities		Business-type Activities		TOTAL PRIMARY GOVERNMENT	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 316,245	\$ 338,918	\$ -	\$ -	\$ 316,245	\$ 338,918
Non-ad valorem revenue bonds	586,021	609,957	-	-	586,021	609,957
Revenue bonds	-	-	591,205	635,635	591,205	635,635
Notes and loans payable	129,057	94,871	250	7,654	129,307	102,525
Other obligations	203,410	179,337	60,884	56,743	264,294	236,080
TOTALS	\$ 1,234,733	\$ 1,223,083	\$ 652,339	\$ 700,032	\$ 1,887,072	\$ 1,923,115

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, 2007, the County’s non-ad valorem revenues were 4.18 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+
Pooled financing loans	Aa1	-	-
Water and Sewer System Enterprise revenue bonds	Aaa	AAA	AAA
Water and Wastewater System Enterprise revenue bonds	Aaa	AAA	AAA
Airport System Enterprise revenue bonds	A2	A	A
Solid Waste Authority	Aa3	-	AA-

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



Refer to Note 15, *Long-Term Debt*, in the *Notes to the Financial Statements* for more information on long-term liabilities.

Economic Factors

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

- During fiscal year 2007, the Florida Legislature imposed significant restrictions on the ability of municipalities and counties to increase ad valorem millage rates, beginning in fiscal year 2008.
- The Florida Department of Labor and Employment Security reported that the number of employed Palm Beach County residents rose from 645,211 in 2006 to 650,548 in 2007, an increase of less than 1%. This compares to a 3.7% increase in 2006. The County's unemployment rate increased to 4.8% for 2007 compared to 3.7% for 2006.
- The Consumer Price Index increased 2.76% over the previous year's rate. Although not specific to Palm Beach County, it does provide economic guidance for budgeting.
- The assessed value of taxable property located in the County (after exemptions) grew from \$138.7 billion in 2006 to \$146.6 billion in 2007. This represented an increase of \$7.9 billion or 5.7%.

- Palm Beach County has a diversified property tax base. The ten largest property taxpayers in the County represent 6.99% of the total ad valorem property taxes levied.
- Gross property taxes levied for fiscal year 2007 rose from \$831.9 million in 2006 to \$978.1 million for 2007, an increase of \$146.2 million or 17.6%.
- Single family permits decreased from 3,866 in 2006 to 1,697 in 2007, or by 56.1%.
- Existing single family home sales for the month of September 2007 were down 17% with 471 units sold compared to 566 units sold in September 2006.
- The median price for an existing single family home in Palm Beach County declined 3% from September 2006 to \$355,300 in September 2007.

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, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents - internal investment pool	\$ 1,524,797,884	\$ 186,643,984	\$ 1,711,441,868
Cash and cash equivalents - separate accounts	112,909,729	248,237,848	361,147,577
Investments - separate accounts	1,910	41,177,629	41,179,539
Interest receivable - separate accounts	316,689	2,078,540	2,395,229
Accounts receivable, net	16,120,474	22,871,053	38,991,527
Internal Balances	(5,267,887)	5,267,887	-
Due from primary government	-	-	-
Due from other governments	51,123,392	6,764,022	57,887,414
Due from component units	6,536	-	6,536
Inventory	12,624,253	7,694,800	20,319,053
Other assets	6,045,707	4,302,508	10,348,215
Other receivable - noncurrent	19,288,941	20,268,631	39,557,572
Investment in joint venture	-	25,202,045	25,202,045
Deferred issue costs	7,954,006	5,281,662	13,235,668
Capital assets (note 4)			
Non-depreciable capital assets	1,035,627,055	425,812,875	1,461,439,930
Depreciable capital assets, net	1,060,429,620	1,189,654,792	2,250,084,412
Total assets	\$ 3,841,978,309	\$ 2,191,258,276	\$ 6,033,236,585
LIABILITIES			
Vouchers payable and accruals	\$ 135,325,459	\$ 45,610,462	\$ 180,935,921
Due to primary government	-	-	-
Due to other governments	20,360,049	4,854,376	25,214,425
Due to component units	287,128	-	287,128
Due to individuals	77,080	5,138,575	5,215,655
Accrued interest payable	14,838,666	13,281,675	28,120,341
Unearned revenue	28,817,938	650,704	29,468,642
Other current liabilities	32,588,458	6,258,821	38,847,279
Long-term liabilities (note 15)			
Long-term liabilities due within one year	137,665,642	51,982,055	189,647,697
Long-term liabilities due more than one year	1,097,067,144	600,357,352	1,697,424,496
Total liabilities	\$ 1,467,027,564	\$ 728,134,020	\$ 2,195,161,584
NET ASSETS			
Invested in capital assets, net of related debt	\$ 1,258,858,321	\$ 1,086,676,383	\$ 2,345,534,704
Restricted for:			
Debt service	2,335,276	21,472,365	23,807,641
Capital projects	487,795,823	42,574,134	530,369,957
School district impact fee land acquisition	992,818	-	992,818
Library taxing district	39,026,966	-	39,026,966
Fire rescue taxing district	106,780,505	-	106,780,505
Tourist development tax programs	24,688,444	-	24,688,444
Grants and other	30,302,237	32,249,601	62,551,838
Unrestricted (deficit)	424,170,355	280,151,773	704,322,128
Total net assets	\$ 2,374,950,745	\$ 1,463,124,256	\$ 3,838,075,001

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

Component Units

Metropolitan Planning Organization	Housing Finance Authority	Westgate/ Belvedere Homes Community Redevelopment Agency
\$ -	\$ -	\$ -
100	7,991,031	2,568,989
-	278,661	390,108
-	3,710	-
-	-	-
-	-	-
287,128	-	-
18,315	-	-
-	-	-
-	-	-
-	63,027	2,643,669
-	36,497	-
-	-	-
-	-	112,096
-	-	804,734
-	-	6,557
<u>\$ 305,543</u>	<u>\$ 8,372,926</u>	<u>\$ 6,526,153</u>
\$ 32,554	\$ 191,230	\$ 42,236
6,536	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	3,500
1,675	190,000	873,432
<u>207,688</u>	<u>-</u>	<u>4,829,776</u>
<u>\$ 248,453</u>	<u>\$ 381,230</u>	<u>\$ 5,748,944</u>
\$ -	\$ -	\$ 551,291
-	-	314,718
-	-	1,151,766
-	-	-
-	-	-
-	-	-
-	-	-
-	54,920	-
57,090	7,936,776	(1,240,566)
<u>\$ 57,090</u>	<u>\$ 7,991,696</u>	<u>\$ 777,209</u>

PALM BEACH COUNTY, FLORIDA
Statement of Activities
For the fiscal year ended September 30, 2007

	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	\$ 367,426,028	\$ (13,838,421)	\$ 132,000,732	\$ 10,008,377	\$ 14,000,835
Public Safety	642,477,801	6,223,402	94,764,762	13,497,778	303,603
Physical Environment	28,636,570	-	5,680,770	9,620,431	807,658
Transportation	169,132,729	-	31,801,521	40,663,877	2,393,239
Economic Environment	159,626,147	535,867	3,122,003	21,936,781	337,313
Human Services	100,583,883	383,163	3,140,222	34,349,983	-
Culture and Recreation	116,785,901	2,474,393	15,254,861	2,127,532	360,000
Interest Expense	49,027,928	-	-	-	-
Total Governmental Activities	\$ 1,633,696,987	\$ (4,221,596)	\$ 285,764,871	\$ 132,204,759	\$ 18,202,648
Business Activities					
Department of Airports	65,117,867	1,159,089	77,478,538	6,704,264	6,541,369
Water Utilities Department	109,882,704	2,970,760	107,090,233	10,508,070	44,016,230
Solid Waste Authority	158,484,143	-	195,898,364	26,550,329	6,589,275
Total Business Activities	\$ 333,484,714	\$ 4,129,849	\$ 380,467,135	\$ 43,762,663	\$ 57,146,874
Total Primary Government	\$ 1,967,181,701	\$ (91,747)	\$ 666,232,006	\$ 175,967,422	\$ 75,349,522
COMPONENT UNITS					
Metropolitan Planning Organization	\$ 1,382,155	\$ 91,747	\$ 29	\$ 1,351,030	\$ -
Housing Finance Authority	1,094,995	-	644,152	808,189	-
Westgate/Belvedere CRA	1,152,269	-	-	12,100	-
Total Component Units	\$ 3,629,419	\$ 91,747	\$ 644,181	\$ 2,171,319	\$ -
General Revenues					
Taxes - levied by the County					
Ad-valorem taxes					
Utility service taxes					
Local option gas taxes					
Tourist development taxes					
State shared sales tax-unrestricted					
Franchise gross receipts fee					
State shared revenues-unrestricted					
Investment income (loss)					
Other general revenues					
Gain on sale of capital assets					
Transfers - net					
Total general revenues and transfers					
Change in net assets					
Beginning net assets (deficit)					
Ending net assets					

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Metropolitan Planning Organization	Housing Finance Authority	Westgate/Belvedere Homes Community Redevelopment Agency
\$ (197,577,663)	\$ -	\$ (197,577,663)	\$ -	\$ -	\$ -
(540,135,060)	-	(540,135,060)	-	-	-
(12,527,711)	-	(12,527,711)	-	-	-
(94,274,092)	-	(94,274,092)	-	-	-
(134,765,917)	-	(134,765,917)	-	-	-
(63,476,841)	-	(63,476,841)	-	-	-
(101,517,901)	-	(101,517,901)	-	-	-
(49,027,928)	-	(49,027,928)	-	-	-
<u>\$ (1,193,303,113)</u>	<u>\$ -</u>	<u>\$ (1,193,303,113)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	24,447,215	24,447,215	-	-	-
-	48,761,069	48,761,069	-	-	-
-	70,553,825	70,553,825	-	-	-
<u>\$ -</u>	<u>\$ 143,762,109</u>	<u>\$ 143,762,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (1,193,303,113)</u>	<u>\$ 143,762,109</u>	<u>\$ (1,049,541,004)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	(122,843)	-	-
-	-	-	-	357,346	-
-	-	-	-	-	(1,140,169)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (122,843)</u>	<u>\$ 357,346</u>	<u>\$ (1,140,169)</u>
\$ 939,719,588	\$ -	\$ 939,719,588	\$ -	\$ -	\$ 2,211,793
29,824,203	-	29,824,203	-	-	-
47,668,148	-	47,668,148	-	-	-
26,818,069	-	26,818,069	-	-	-
76,120,744	-	76,120,744	-	-	-
30,005,367	-	30,005,367	-	-	-
61,569,609	-	61,569,609	-	-	-
98,855,421	-	98,855,421	2,595	-	22,867
9,640,268	-	9,640,268	-	-	90,497
6,804,989	20,324	6,825,313	-	-	-
(2,528,033)	2,528,033	-	-	-	-
<u>1,324,498,373</u>	<u>2,548,357</u>	<u>1,327,046,730</u>	<u>2,595</u>	<u>-</u>	<u>2,325,157</u>
131,195,260	146,310,466	277,505,726	(120,248)	357,346	1,184,988
<u>2,243,755,485</u>	<u>1,316,813,790</u>	<u>3,560,569,275</u>	<u>177,338</u>	<u>7,634,350</u>	<u>(407,779)</u>
<u>\$ 2,374,950,745</u>	<u>\$ 1,463,124,256</u>	<u>\$ 3,838,075,001</u>	<u>\$ 57,090</u>	<u>\$ 7,991,696</u>	<u>\$ 777,209</u>



DESCRIPTIONS OF MAJOR FUNDS

GOVERNMENTAL ACTIVITIES

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

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

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

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

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.

BUSINESS-TYPE ACTIVITIES

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

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

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

PALM BEACH COUNTY, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2007

	MAJOR FUNDS			
	General	Fire Rescue Special Revenue Fund	Sheriff Special Revenue Fund	General Government Capital Projects
ASSETS				
Cash and cash equivalents	\$ 189,919,848	\$ 80,859,934	\$ 51,664,866	\$ 241,799,310
Investments	-	-	1,910	-
Accounts receivable, net	5,632,363	934,777	303,341	570
Due from other county funds	80,949,324	2,861,081	67,865	687,445
Due from other governments	5,769,998	1,038,570	1,124,129	245,858
Inventory	2,072,013	2,166,065	1,950,884	-
Other assets	36,513	75	104,638	-
Other receivable, noncurrent	-	-	-	2,050,000
Total assets	\$ 284,380,059	\$ 87,860,502	\$ 55,217,633	\$ 244,783,183
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 11,861,839	\$ 11,027,744	\$ 25,343,321	\$ 25,342,059
Due to other county funds	15,191,976	189,776	14,635,561	579,828
Due to other governments	1,352,460	21,070	2,377,867	103,000
Due to component unit	287,128	-	-	-
Due to individuals	-	-	1,340	-
Insurance claims payable	-	-	1,346,977	-
Deferred and unearned revenue	11,468,983	-	-	-
Other liabilities	1,380,856	-	6,630,047	-
Matured principal and interest payable	-	-	-	-
Total liabilities	41,543,242	11,238,590	50,335,113	26,024,887
FUND BALANCE				
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for inventory	2,072,013	2,166,065	1,950,884	-
Reserved for noncurrent loans receivable	-	-	-	2,050,000
Unreserved, reported in:				
General Fund	240,764,804	-	-	-
Special Revenue Funds	-	74,455,847	2,931,636	-
Capital Projects Funds	-	-	-	216,708,296
Total fund balance	242,836,817	76,621,912	4,882,520	218,758,296
Total liabilities and fund balance	\$ 284,380,059	\$ 87,860,502	\$ 55,217,633	\$ 244,783,183

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

Road Program Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 385,524,498	\$ 594,356,242	\$ 1,544,124,698
-	-	1,910
750	9,189,485	16,061,286
-	17,972,732	102,538,447
6,719,212	35,909,541	50,807,308
-	5,511,044	11,700,006
-	321,308	462,534
-	17,238,941	19,288,941
<u>\$ 392,244,460</u>	<u>\$ 680,499,293</u>	<u>\$ 1,744,985,130</u>
\$ 7,426,112	\$ 49,315,619	\$ 130,316,694
37,770	80,311,416	110,946,327
7,126	16,090,585	19,952,108
-	-	287,128
-	75,740	77,080
-	-	1,346,977
-	31,340,182	42,809,165
-	20,997,935	29,008,838
-	262,540	262,540
<u>7,471,008</u>	<u>198,394,017</u>	<u>335,006,857</u>
-	17,885,780	17,885,780
-	5,511,044	11,700,006
-	-	2,050,000
-	-	240,764,804
-	176,895,566	254,283,049
<u>384,773,452</u>	<u>281,812,886</u>	<u>883,294,634</u>
<u>384,773,452</u>	<u>482,105,276</u>	<u>1,409,978,273</u>
<u>\$ 392,244,460</u>	<u>\$ 680,499,293</u>	<u>\$ 1,744,985,130</u>

PALM BEACH COUNTY, FLORIDA

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets - Governmental Activities
September 30, 2007

Fund balance for total of governmental funds (page 9) \$ 1,409,978,273

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

Report internal service funds as governmental activities

Internal service funds are used by management to charge the costs of certain activities, such as insurance, computer services, and vehicles to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Net assets per fund statements	\$ 76,780,525	
Less amount due to business-type activities for 'look-back' allocation	(4,273,120)	
Plus amount due from component units for 'look-back' allocation	<u>144</u>	72,507,549

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	1,035,627,055	
Depreciable capital assets, net of accumulated depreciation	<u>1,025,168,747</u>	2,060,795,802

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	313,515,000	
Non-ad valorem bonds payable	573,909,600	
Notes and loans payable	128,546,544	
Capital leases	11,294	
Compensated absences	100,221,146	
Fire rescue long term disability plan	8,157,329	
Arbitrage accrued	4,406,172	
Claims and judgements	32,290,958	
Unamortized premium	27,971,495	
Deferred (loss) on refundings	<u>(13,129,663)</u>	(1,175,899,875)

Report adjustments to convert from modified accrual to full accrual

Interest Receivable- Separate Accounts

Interest receivable on special assessments is not due and available in the current period and therefore is not reported in the governmental fund statements. 316,689

Deferred Issue Costs

Issue cost for new debt is reported as a deferred charge and amortized over the life of the debt as an expense. However, issue cost are recorded as expenditures in the governmental fund statements. 7,954,006

Accrued Interest Payable

Accrued Interest Payable that is not due and payable in the current period is not reported in the governmental fund statements (14,571,375)

Deferred Revenue

Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements. 13,991,226

Due To Other Governments

Palm Beach County and the Palm Beach County School District engage in an interlocal agreement that allows them to exchange land and maintain a receivable and payable for the difference in value. When a general capital asset is exchanged for another capital asset and there is no receipt of current financial resources for the difference in value, the receivable or payable is not reported in the governmental fund statements. (121,550)

Net assets of governmental activities (page 2) \$ 2,374,950,745



PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended September 30, 2007

	MAJOR FUNDS			
	General	Fire Rescue Special Revenue Fund	Sheriff Special Revenue Fund	General Government Capital Projects
Revenues:				
Taxes (net of discount)	\$ 718,007,677	\$ 196,148,581	\$ -	\$ 79
Special assessments	-	303,603	-	2,386,940
Licenses and permits	4,134,899	3,548	-	-
Intergovernmental	35,150,477	1,125,167	-	781,664
Charges for services	62,142,840	26,355,813	1,582,020	3,219,364
Less - excess fees paid out	-	-	-	-
Fines and forfeitures	1,794,967	-	1,329,137	1,176,750
Investment income	19,502,991	6,341,058	242,978	15,996,309
Miscellaneous	10,153,418	884,834	125,686	5,162,305
Total revenues	850,887,269	231,162,604	3,279,821	28,723,411
Expenditures:				
Current:				
General government	119,714,179	-	16,532,978	29,702,170
Public safety	33,678,466	192,205,134	341,165,174	1,694,449
Physical environment	13,288,662	-	-	1,124,751
Transportation	6,843,775	-	-	1,339,354
Economic environment	29,864,005	901,248	-	70,322,594
Human services	53,049,585	-	-	-
Culture and recreation	60,614,252	-	-	-
Capital outlay	2,382,315	5,848,026	22,611,976	59,691,026
Debt service	-	-	23,880	66,600
Total expenditures	319,435,239	198,954,408	380,334,008	163,940,944
Excess of revenues over (under) expenditures	531,452,030	32,208,196	(377,054,187)	(135,217,533)
Other financing sources (uses):				
Transfers in	52,680,069	7,505,028	390,482,509	83,378,301
Transfers out	(562,169,769)	(21,870,030)	(10,648,639)	(27,198,876)
Issuance of long-term debt	-	-	-	27,866,492
Premium (discount) long-term debt	-	-	-	-
Total other financing sources (uses)	(509,489,700)	(14,365,002)	379,833,870	84,045,917
Net change in fund balances	21,962,330	17,843,194	2,779,683	(51,171,616)
Fund balances, October 1, 2006	221,508,148	58,681,254	2,102,837	269,929,912
Increase (decrease) in reserves, inventory	(633,661)	97,464	-	-
Fund balances, September 30, 2007	\$ 242,836,817	\$ 76,621,912	\$ 4,882,520	\$ 218,758,296

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

Road Program Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 34,975,554	\$ 154,393,060	\$ 1,103,524,951
18,540,244	15,968,597	37,199,384
-	14,767,394	18,905,841
12,106,864	176,014,175	225,178,347
1,846,432	163,386,960	258,533,429
-	(50,266,917)	(50,266,917)
-	10,604,900	14,905,754
21,654,399	33,494,894	97,232,629
4,518,863	18,834,529	39,679,635
<u>93,642,356</u>	<u>537,197,592</u>	<u>1,744,893,053</u>
5,022,905	142,043,031	313,015,263
-	31,126,968	599,870,191
-	12,135,987	26,549,400
10,329,327	115,080,174	133,592,630
-	54,279,592	155,367,439
-	46,060,169	99,109,754
-	43,195,164	103,809,416
60,644,901	175,007,512	326,185,756
-	138,533,485	138,623,965
<u>75,997,133</u>	<u>757,462,082</u>	<u>1,896,123,814</u>
<u>17,645,223</u>	<u>(220,264,490)</u>	<u>(151,230,761)</u>
831,601	254,828,977	789,706,485
(20,289,761)	(148,161,448)	(790,338,523)
-	50,604,426	78,470,918
-	561,966	561,966
<u>(19,458,160)</u>	<u>157,833,921</u>	<u>78,400,846</u>
(1,812,937)	(62,430,569)	(72,829,915)
386,586,389	545,057,687	1,483,866,227
-	(521,842)	(1,058,039)
<u>\$ 384,773,452</u>	<u>\$ 482,105,276</u>	<u>\$ 1,409,978,273</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, 2007

Net change in fund balances for total governmental funds (page 13) \$ (72,829,915)

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

Report internal service funds as governmental activities

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

Net income (loss) per fund statements	\$ (5,140,457)	
Less current year allocation to business-type activities	718,699	
Less current year allocation to component units	4,356	(4,417,402)

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. 323,131,365

Acquisition of capital assets from contributions do not generate current financial resources and therefore are not reported in the governmental fund statements as revenue. 8,138,437

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. (88,018,696)

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 by the net book value of the assets retired. (18,532,119)

224,718,987

Report as a liability long-term debt obligations

Debt issuance

Debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets and does not result in a revenue. (78,470,918)

Current year face value of debt issued

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

Current year (premium) discount on debt issued	(561,966)
Current year amortization of premium / discount	1,736,106

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

Current year amortization of deferred refunding gain / loss	(821,409)
---	-----------

PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2007

	Business-type Activities -	
	Airports	Water Utilities
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 47,938,212	\$ 76,930,011
Cash and cash equivalents - restricted	-	22,397,491
Interest receivable - restricted	-	-
Investments - restricted	-	-
Interest receivable	-	759,300
Accounts receivable, net	1,138,965	11,421,909
Due from other county funds	275,101	42,893
Due from other governments	1,211,149	2,500,000
Due from component unit	-	-
Inventory	982,480	6,298,745
Current portion of other receivable	101,379	869,286
Other assets	1,073,506	761,460
Total current assets	52,720,792	121,981,095
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	80,919,457	2,000,000
Investments	-	-
Accounts receivable, net	1,175,640	-
Total noncurrent restricted assets	82,095,097	2,000,000
Capital assets:		
Land	94,512,411	15,308,004
Buildings	230,574,583	96,800,931
Improvements other than buildings	168,134,185	984,532,683
Furniture, fixtures and equipment	30,628,535	58,741,600
Leasehold interest	-	12,010,002
Goodwill	-	5,286,966
Easement rights	13,740,457	-
Accumulated depreciation and amortization	(271,510,856)	(349,562,183)
Construction in progress	95,585,874	99,999,655
Total capital assets	361,665,189	923,117,658
Investment in joint venture	-	25,202,045
Loans receivable, noncurrent	819,559	18,147,029
Deferred issuance costs	2,074,826	1,582,205
Other assets	-	-
Total noncurrent assets	446,654,671	970,048,937
Total assets	\$ 499,375,463	\$ 1,092,030,032

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

Enterprise Funds		Governmental Activities Internal Service Funds
Solid Waste Authority	Totals	
\$ 106,676,016	\$ 231,544,239	\$ 93,582,915
82,946,588	105,344,079	-
1,162,398	1,162,398	-
7,002,765	7,002,765	-
156,842	916,142	-
9,134,539	21,695,413	59,188
1,724,135	2,042,129	7,663,365
3,052,873	6,764,022	316,084
-	-	6,392
413,575	7,694,800	924,247
187,440	1,158,105	-
1,301,994	3,136,960	5,583,173
213,759,165	388,461,052	108,135,364
15,074,057	97,993,514	-
34,174,864	34,174,864	-
-	1,175,640	-
49,248,921	133,344,018	-
50,795,763	160,616,178	-
220,824,976	548,200,490	439,352
73,061,859	1,225,728,727	810,040
136,853,095	226,223,230	96,895,823
-	12,010,002	-
-	5,286,966	-
-	13,740,457	-
(220,462,041)	(841,535,080)	(62,884,342)
69,611,168	265,196,697	-
330,684,820	1,615,467,667	35,260,873
-	25,202,045	-
1,302,043	20,268,631	-
1,624,631	5,281,662	-
7,443	7,443	-
382,867,858	1,799,571,466	35,260,873
\$ 596,627,023	\$ 2,188,032,518	\$ 143,396,237

PALM BEACH COUNTY, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2007

	Business-type Activities -	
	Airports	Water Utilities
LIABILITIES		
Current liabilities payable from current assets:		
Vouchers payable and accrued liabilities	\$ 9,537,950	\$ 10,356,836
Due to other county funds	158,415	478,492
Due to other governments	1,698,528	364,686
Deferred revenue	650,704	-
Current portion of long-term debt	-	-
Compensated absences	100,288	261,000
Insurance claims payable	-	-
Other liabilities	-	5,754,653
Total current liabilities payable from current assets	12,145,885	17,215,667
Current liabilities payable from restricted assets:		
Customers' deposits	297,954	4,226,786
Accounts and contracts payable	5,314,737	298,107
Due to other governments	310,000	260,585
Accrued landfill closure and postclosure care costs	-	-
Note payable	250,000	-
Current portion of long-term debt	6,790,000	13,350,000
Interest payable on bonds	4,220,326	4,262,013
Total current liabilities payable from restricted assets	17,183,017	22,397,491
Total current liabilities	29,328,902	39,613,158
Noncurrent liabilities:		
Due to other governments	-	2,220,577
Compensated absences	1,029,338	2,490,207
Revenue bonds payable, net of discount	154,264,283	180,389,121
Other long-term liabilities	-	-
Total noncurrent liabilities	155,293,621	185,099,905
Total liabilities	184,622,523	224,713,063
NET ASSETS		
Invested in capital assets, net of related debt	204,190,735	730,960,742
Restricted for:		
Debt service	7,294,261	13,350,000
Capital projects	41,574,134	1,000,000
Grants and other	9,715,898	1,000,000
Unrestricted	51,977,912	121,006,227
Total net assets	\$ 314,752,940	\$ 867,316,969

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

Net assets of business-type activities

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

<u>Enterprise Funds</u>		Governmental
Solid Waste		Activities
Authority	Totals	Internal
		Service Funds
\$ 7,032,558	\$ 26,927,344	\$ 5,013,515
410,455	1,047,362	250,252
-	2,063,214	286,391
-	650,704	-
-	-	198,332
326,193	687,481	-
448,000	448,000	23,191,965
56,168	5,810,821	3,579,620
<u>8,273,374</u>	<u>37,634,926</u>	<u>32,520,075</u>
613,835	5,138,575	-
13,070,274	18,683,118	-
-	570,585	-
454,574	454,574	-
-	250,000	-
30,700,000	50,840,000	-
4,799,336	13,281,675	-
<u>49,638,019</u>	<u>89,218,527</u>	<u>-</u>
<u>57,911,393</u>	<u>126,853,453</u>	<u>32,520,075</u>
-	2,220,577	-
3,400,185	6,919,730	-
205,712,229	540,365,633	-
52,821,989	52,821,989	34,095,637
<u>261,934,403</u>	<u>602,327,929</u>	<u>34,095,637</u>
<u>319,845,796</u>	<u>729,181,382</u>	<u>66,615,712</u>
151,524,906	1,086,676,383	34,746,152
828,104	21,472,365	-
-	42,574,134	-
21,533,703	32,249,601	-
102,894,514	275,878,653	42,034,373
<u>\$ 276,781,227</u>	<u>1,458,851,136</u>	<u>\$ 76,780,525</u>
	4,273,120	
	<u>\$ 1,463,124,256</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended September 30, 2007

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Operating revenues:		
Charges for services	\$ 63,325,013	\$ 96,426,883
Miscellaneous	2,701,142	4,776,456
Total operating revenues	66,026,155	101,203,339
Operating expenses:		
Aviation services	40,944,345	-
Water and sewer services	-	73,781,399
Transportation services	-	-
Solid waste services	-	-
Printing services	-	-
Self-insurance services	-	-
Data processing services	-	-
Equity interest in net loss of joint venture	-	1,278,090
Depreciation and amortization	20,012,057	32,354,767
Total operating expenses	60,956,402	107,414,256
Operating income (loss)	5,069,753	(6,210,917)
Nonoperating revenues (expenses):		
Operating grants	975,550	-
Investment income	5,728,714	7,204,041
Capacity reservation fees	-	5,886,894
Passenger facility charges	10,663,881	-
Deferred issue costs	(153,046)	(194,018)
Interest expense	(5,033,573)	(3,808,823)
Insurance recoveries	-	-
Hurricane debris collection and disposal	-	-
Other revenues	808,826	2,435,169
Total nonoperating revenues (expenses)	12,990,352	11,523,263
Income (loss) before capital contributions and transfers	18,060,105	5,312,346
Capital contributions	6,541,369	44,016,230
Transfers in	28,033	2,500,000
Transfers out	-	-
Change in net assets	24,629,507	51,828,576
Net assets October 1, 2006	290,123,433	815,488,393
Net assets September 30, 2007	\$ 314,752,940	\$ 867,316,969

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

Change in net assets of business-type activities

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

<u>Enterprise Funds</u>		Governmental
Solid Waste		Activities
Authority	Totals	Internal
		Service Funds
\$ 194,543,522	\$ 354,295,418	\$ 141,548,510
-	7,477,598	-
<u>194,543,522</u>	<u>361,773,016</u>	<u>141,548,510</u>
-	40,944,345	-
-	73,781,399	-
-	-	20,315,192
124,047,422	124,047,422	-
-	-	1,339,256
-	-	91,929,340
-	-	30,032,715
-	1,278,090	-
21,270,204	73,637,028	12,483,503
<u>145,317,626</u>	<u>313,688,284</u>	<u>156,100,006</u>
<u>49,225,896</u>	<u>48,084,732</u>	<u>(14,551,496)</u>
7,828,267	8,803,817	-
14,168,981	27,101,736	5,355,135
-	5,886,894	-
-	10,663,881	-
-	(347,064)	-
(13,039,531)	(21,881,927)	(18,255)
4,553,081	4,553,081	-
(109,729)	(109,729)	-
1,354,842	4,598,837	3,936,431
<u>14,755,911</u>	<u>39,269,526</u>	<u>9,273,311</u>
63,981,807	87,354,258	(5,278,185)
6,589,275	57,146,874	2,033,723
-	2,528,033	107,294
-	-	(2,003,289)
<u>70,571,082</u>	<u>147,029,165</u>	<u>(5,140,457)</u>
<u>206,210,145</u>		<u>81,920,982</u>
<u>\$ 276,781,227</u>		<u>\$ 76,780,525</u>
	(718,699)	
	<u>\$ 146,310,466</u>	

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2007

	Business-type Activities -	
	Airports	Water Utilities
Cash flows from operating activities:		
Cash received from customers	\$ 67,858,381	\$ 94,418,596
Cash received from other funds for goods and services	-	-
Cash payments to vendors for goods and services	(15,346,028)	(36,954,393)
Cash payments to employees for services	(10,587,648)	(24,186,708)
Cash payments to other funds	(16,278,116)	(12,107,276)
Claims paid	-	-
Other receipts (disbursements)	12,105	4,774,467
Net cash provided by operating activities	25,658,694	25,944,686
Cash flows from noncapital financing activities:		
Operating grants	-	361,461
Transfers in	-	-
Transfers out	(219,600)	-
Net cash provided by (used in) noncapital financing activities	(219,600)	361,461
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	84,341	2,791,840
Contributed capital	8,830,019	25,712,831
Purchase and construction of capital assets	(79,002,277)	(100,707,973)
Proceeds from long-term borrowings	-	-
Payments to joint venture	-	(1,334,078)
Principal payments on debt	(6,515,000)	(10,835,000)
Interest payments on debt	(4,599,892)	(8,568,500)
Paying agent fees	-	(56,909)
Passenger facility charges received	9,509,241	-
Transfer in	-	2,500,000
Principal received on notes receivable	-	-
Insurance proceeds	776,397	-
Net cash provided by (used in) capital and related financing activities	(70,917,171)	(90,497,789)
Cash flows from investing activities:		
Interest on investments	5,671,609	7,609,159
Purchase of investments	-	-
Receipt of repayments on other receivables	152,896	-
Proceeds from sale of investments	-	-
Net cash provided by investing activities	5,824,505	7,609,159
Net increase (decrease) in cash and cash equivalents	(39,653,572)	(56,582,483)
Cash and cash equivalents, October 1, 2006	168,511,241	157,909,985
Cash and cash equivalents, September 30, 2007	\$ 128,857,669	\$ 101,327,502

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

Enterprise Funds		Governmental Activities Internal Service Funds
Solid Waste Authority	Totals	
\$ 192,844,656	\$ 355,121,633	\$ 4,316,607
2,994,897	2,994,897	137,749,748
(90,255,713)	(142,556,134)	(38,994,520)
(26,754,634)	(61,528,990)	(25,311,788)
(5,536,674)	(33,922,066)	(4,384,521)
-	-	(69,497,818)
593,521	5,380,093	3,250,346
<u>73,886,053</u>	<u>125,489,433</u>	<u>7,128,054</u>
6,311,777	6,673,238	-
-	-	107,294
-	(219,600)	(2,003,289)
<u>6,311,777</u>	<u>6,453,638</u>	<u>(1,895,995)</u>
909,677	3,785,858	1,292,573
6,110,196	40,653,046	-
(39,662,118)	(219,372,368)	(9,333,377)
2,508,904	2,508,904	606,412
-	(1,334,078)	-
(39,063,202)	(56,413,202)	(272,498)
(11,946,984)	(25,115,376)	(14,638)
-	(56,909)	-
-	9,509,241	-
-	2,500,000	-
173,652	173,652	-
4,553,081	5,329,478	-
<u>(76,416,794)</u>	<u>(237,831,754)</u>	<u>(7,721,528)</u>
14,195,709	27,476,477	5,356,466
(16,000,000)	(16,000,000)	-
-	152,896	-
27,000,000	27,000,000	-
<u>25,195,709</u>	<u>38,629,373</u>	<u>5,356,466</u>
28,976,745	(67,259,310)	2,866,997
<u>175,719,916</u>	<u>502,141,142</u>	<u>90,715,918</u>
<u>\$ 204,696,661</u>	<u>\$ 434,881,832</u>	<u>\$ 93,582,915</u>

PALM BEACH COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2007

	<u>Business-type Activities -</u>	
	Airports	Water Utilities
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 5,069,753	\$ (6,210,917)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	20,012,057	32,354,767
Equity interest in net loss of joint venture	-	1,278,090
Provision for doubtful accounts	(997,131)	214,200
(Gain) on disposal of equipment	-	-
Hurricane debris collection and disposal	-	-
Miscellaneous revenue	12,105	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	1,874,604	(2,061,387)
(Increase) decrease in due from other county funds	-	(16,051)
Decrease in due from other governments	-	-
(Increase) in inventory	(5,858)	(495,753)
(Increase) decrease in other assets	(93,911)	2,042
(Increase) in due from component unit	-	-
Increase in vouchers payable and accrued liabilities	51,543	995,838
Increase (decrease) in due to other county funds	(6,080)	215,134
Increase (decrease) in due to other governments	-	(86,832)
Increase (decrease) in other current liabilities	(216,010)	-
(Decrease) in deferred revenue	(43,149)	-
Increase (decrease) in customer deposits	771	(244,445)
Increase in insurance claims payable	-	-
Increase in other long-term liabilities	-	-
Net cash provided by operating activities	\$ 25,658,694	\$ 25,944,686
Supplemental disclosure of noncash capital and related financing activities:		
<u>Amortization of intangible assets</u>	<u>\$ 343,512</u>	<u>\$ -</u>
<u>Amortization of deferred issuance costs</u>	<u>\$ 193,579</u>	<u>\$ 194,018</u>
<u>Amortization of premium on bonds</u>	<u>\$ 469,471</u>	<u>\$ 893,916</u>
<u>Amortization of discount on bonds</u>	<u>\$ -</u>	<u>\$ 532</u>
<u>Amortization of deferred advance refunding loss</u>	<u>\$ 428,938</u>	<u>\$ 530,970</u>
<u>Disposal of fully depreciated capital assets</u>	<u>\$ 3,867,625</u>	<u>\$ 570,054</u>
<u>Increase in fair value of investments</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Contribution of capital assets</u>	<u>\$ -</u>	<u>\$ 22,251,035</u>

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

<u>Enterprise Funds</u>		Governmental Activities Internal Service Funds
Solid Waste Authority	Totals	
\$ 49,225,896	\$ 48,084,732	\$ (14,551,496)
21,270,204	73,637,028	12,483,503
-	1,278,090	-
46,782	(736,149)	-
(820,230)	(820,230)	-
(109,729)	(109,729)	-
1,354,842	1,366,947	3,250,315
1,034,016	847,233	65,740
9,206	(6,845)	433,918
-	-	20,461
(46,376)	(547,987)	(155,250)
218,922	127,053	(1,705,728)
-	-	(1,211)
945,978	1,993,359	833,521
285,230	494,284	(517,392)
-	(86,832)	116,127
6,871	(209,139)	391,016
-	(43,149)	-
940	(242,734)	-
-	-	6,464,530
463,501	463,501	-
<u>\$ 73,886,053</u>	<u>\$ 125,489,433</u>	<u>\$ 7,128,054</u>
<u>\$ -</u>	<u>\$ 343,512</u>	<u>\$ -</u>
<u>\$ 359,794</u>	<u>\$ 747,391</u>	<u>\$ -</u>
<u>\$ 994,299</u>	<u>\$ 2,357,686</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 532</u>	<u>\$ -</u>
<u>\$ 3,468,471</u>	<u>\$ 4,428,379</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 4,437,679</u>	<u>\$ 5,685,017</u>
<u>\$ 91,092</u>	<u>\$ 91,092</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 22,251,035</u>	<u>\$ 2,033,723</u>

PALM BEACH COUNTY, FLORIDA
Statement of Fiduciary Net Assets - Agency Funds
September 30, 2007

	Total Agency Funds
ASSETS	
Cash and cash equivalents	\$ 65,543,843
Accounts receivable, net	1,233,196
Due from other governments	370,006
Other assets	452
	\$ 67,147,497
LIABILITIES	
Vouchers payable and accrued liabilities	\$ 583,768
Due to other governments	38,092,754
Due to individuals	28,123,851
Other liabilities	347,124
	\$ 67,147,497

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

INDEX

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	28
2. CASH AND INVESTMENTS.....	47
3. RELATED PARTY TRANSACTIONS	54
4. CAPITAL ASSETS	55
5. INTERFUND TRANSFERS IN AND OUT	57
6. RETIREMENT PLANS.....	60
7. COMMITMENTS.....	64
8. RISK MANAGEMENT	66
9. OTHER POST EMPLOYMENT BENEFITS	70
10. LEASES	70
11. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS.....	73
12. ADVANCE REFUNDING OF DEBT	74
13. INTERFUND RECEIVABLE AND PAYABLE BALANCES.....	76
14. SHORT-TERM DEBT.....	79
15. LONG-TERM DEBT	80
16. CONTINGENCIES	101
17. SUBSEQUENT EVENTS	102

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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), 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, 2007

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.

Based on the criteria specified above, the Palm Beach County reporting entity includes both blended component units and discretely presented component units.

Blended Component Units

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

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

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

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

delivered to processing and disposal facilities designated by the SWA. The SWA is reported as an enterprise fund.

Discretely Presented Component Units

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

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

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

Metropolitan Planning Organization (MPO) – This organization was created by Palm Beach County Resolution 79-1684 pursuant to Section 334.215, Florida Statutes, as amended by Section 339.175, Florida Statutes. The members of the MPO are appointed by the Governor and consist of five members of the Board of County Commissioners, eleven members from local municipalities, and one member from the governing board of the Port of Palm Beach. The purpose of the MPO is to administer and execute the interlocal agreement providing for short-term and long-term planning for all modes of travel in order to benefit the citizens of Palm Beach County. The MPO is reported as a governmental fund type.

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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
3323 Belvedere Road, Number 501
West Palm Beach, FL 33406

Related Organizations

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

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

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

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

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

Joint Ventures

East Central Regional Wastewater Facility

In September 1992, Palm Beach County entered into a thirty-year joint interlocal agreement (the Agreement) with four municipalities for the East Central Regional Wastewater Facility (the Facility). The Facility was created to receive, treat and dispose of sewage generated within each municipality and the County. Under GAAP, the County is required to account for this joint venture using the equity method. Accordingly, the County recorded its initial investment at cost and is required to record its proportionate share of the Facility's income or loss. Palm Beach County's interest in the joint venture is recorded in the County's Water Utilities Enterprise Fund. As of September 30, 2006, the Facility had total assets of \$102,489,004 and total net assets of \$87,659,651 including \$61,850,292 invested in capital, net of debt, and \$12,344,523 of unrestricted net assets.

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, 2007, Palm Beach County had a 31.452% interest.

The participants and each entity's interest at September 30, 2007 are as follows:

PARTICIPANT	RESERVE CAPACITY PERCENTAGES
City of West Palm Beach	27.419%
Palm Beach County	31.452%
City of Lake Worth	20.161%
City of Riviera Beach	12.903%
Town of Palm Beach	8.065%
TOTAL	100.000%

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

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

Tri-County Commuter Rail Authority

In October 1994, Palm Beach County entered into a five-year joint interlocal agreement (the Agreement) with Miami-Dade County, Broward County, the Florida Department of Transportation and the Tri-County Commuter Rail Authority (the Authority) which calls

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

for each of the respective counties to fund one-third of the net operating deficit of the Authority after considering all Federal subsidy, State subsidy and farebox revenue. The Authority was created as an agency of the State of Florida pursuant to Chapter 343, Florida Statutes in 1988 to provide commuter rail services in Broward, Dade and Palm Beach counties. Tri-Rail serves both residents and tourists with a scheduled passenger rail commuter system which currently operates on seventy-one miles of rail corridor along the east coast of Florida.

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

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

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

Sunshine State Governmental Financing Commission

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

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

Financial Statements may be obtained from the Commission.

B. Basic Financial Statements

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

Government-wide financial statements - The government-wide financial statements provide an overview of the County's financial position using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. The Statement of Net Assets presents information on all of the assets and liabilities of the County as a whole. The difference between assets and liabilities is reported as net assets. Changes in net assets may serve as an indicator of whether the financial position of the

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

County is improving or deteriorating. The Statement of Activities presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the Statement of Activities will have cash flows in future fiscal periods. For example, uncollected taxes are shown as revenues although cash receipts will occur in the future. Unused vacation leave results in an expense although related cash outflows will occur in the future.

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

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

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

Governmental funds – Most of the County's basic services are reported in governmental funds, which focus on how money or other spendable financial resources flow into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. The measurement focus is based upon determination of changes in financial position. 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. There is a reconciliation of the governmental activities presented in the Statement of Net Assets and the Statement of Activities to the governmental funds presented in the fund financial statements. The following is a description of the County's major governmental funds:

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Special Revenue Funds:

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

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

Capital Projects Funds:

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

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

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

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

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

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

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

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment for transactions is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports. For example, under the accrual basis of accounting, transactions are recognized when the transactions take place, whereas in the cash basis of accounting, transactions are recognized when cash is received or paid.

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

as deferred revenues. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

D. Cash and Investments

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

Deposits

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

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

Cash Equivalents

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

Investments

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, the Local Government Surplus Funds Trust Fund (State Board of Administration), the Florida Local Government Investment Trust (FLGIT), collateralized mortgage obligations (CMO), certain corporate securities, commercial paper, bankers acceptances, and money market mutual funds.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

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

Local Government Surplus Funds Trust Fund (State Board of Administration)
Guaranteed Investment Contracts (nonparticipating)

The following external investment pools are not SEC-registered:

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

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

E. Accounts and Other Receivables

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

housing loans to individuals and developers, a loan to the convention center and a contribution receivable from FAU as part of the Scripps project.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

acquisition is also computed on the straight-line method but over the 30-year life of the debt used to acquire the Village of Royal Palm Beach's Utility System.

H. Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the County accrues a liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences. Vacation leave is accrued as a liability as the benefits are earned by the employees. Sick leave is also accrued as a liability as the benefits are earned by the employees, but only to the extent that it is probable that the County will compensate the employees for the benefits through cash payments at termination or retirement.

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

I. Landfill Closure and Postclosure Care Costs

In accordance with governmental accounting standards, the County, as a municipal solid waste land owner, records a current expense and the related long-term liability for certain future landfill closure and Postclosure care costs for landfills still accepting solid waste. The portion of these future costs currently recognized is based on the amount of landfill capacity consumed as of each balance sheet date. The County also records the current estimated liability for remediation and monitoring costs for landfills that closed on or before October 9, 1991. More information on these expenses and related long-term liabilities is disclosed in the *Landfill Closure and Postclosure Care Costs* Note 11.

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

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

K. Self-Insurance

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

L. Financial Reporting for Government-wide and Proprietary Funds

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

M. Pension 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.

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.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

P. Budgets

BOARD OF COUNTY COMMISSIONERS

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

1. On or before July 15, the County Administrator, through the Office of Financial Management and Budget (OFMB) submits to the Board of County Commissioners a tentative budget for the fiscal year commencing the following October 1. This is a detailed plan outlining all programs and estimated departmental revenues and expenditures for the upcoming year.
2. Taxpayers are informed of the proposed budget and tentative millage rates through advertising and public hearings which are held to elicit taxpayer comments.
3. The budget is legally adopted through Board of County Commission action for the fiscal year beginning October 1.
4. The Board at any time within a fiscal year may amend a budget for that year as follows:
 - a. Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by action recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board of County Commissioners, however, may establish procedures by which the designated budget officer may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - b. Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - c. A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund. During fiscal year 2007, supplemental appropriations amounted to a net increase of \$281,203,959, or approximately 6.4% 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

guidelines, which provide for the budget to be controlled at a detail level greater than the statutory level of control. This control (effective legal level) is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at OFMB. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

CLERK OF CIRCUIT COURT

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

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

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

SHERIFF

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

TAX COLLECTOR AND PROPERTY APPRAISER

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

SUPERVISOR OF ELECTIONS

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

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

Q. Encumbrances

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

R. Designations of Unreserved Fund Balances

Unreserved fund balances as of September 30, 2007, have the following significant designations:

<u>Designation</u>	<u>Amount</u>
General Fund:	
Encumbrances	\$ 3,905,280
Contingency	20,000,000
Other Operating Programs	17,000,535
Special Revenue Funds:	
Encumbrances	25,032,152
Fire Rescue Long-Term Disability	11,773,327
Capital Projects Funds:	
Encumbrances	222,186,025

Amounts designated for encumbrances represent outstanding purchase orders, contracts, and other commitments at year-end, which were re-appropriated at the beginning of fiscal year 2008, in accordance with County policy.

The amount designated for contingencies represents the portion of fund balance that was designated by the Board of County Commissioners for unforeseen expenditures or potential revenue shortfalls in fiscal year 2008.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

The amount designated for other operating programs represent a portion of fund balance which has been designated by the Board of County Commissioners for specific purposes, which are anticipated to be appropriated during fiscal year 2008 by budget amendments.

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

S. Operating versus Nonoperating Revenue and Expenses

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

T. Use of Restricted Resources

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

U. Fund Equity and Net Assets

Fund Equity

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

Net Assets

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

Restricted net assets is that portion of net assets that has been restricted from general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. The entity-wide statement of net assets reports \$691,922,069 of restricted net assets, of which \$407,809,267 is restricted by enabling legislation.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

V. Property Tax

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

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

Pursuant to Florida law, the Tax Collector advertises and sells tax certificates on all real property for which there are unpaid taxes. Accordingly, there is no property taxes receivable as of September 30, 2007.

For the 2006 tax roll year, the assessment roll was opened for collection on November 1, 2006, and discounts for payment prior to April 1, 2007, were determined as follows:

4%	if paid in November 2006
3%	if paid in December 2006
2%	if paid in January 2007
1%	if paid in February 2007

W. Interest Costs

Interest costs are charged to expense or expenditure as incurred. Proprietary funds follow the provisions of FASB Statement No. 34, *Capitalization of Interest Costs* and No. 62, *Capitalization of Interest Cost on Certain Tax-Exempt Borrowings and Certain Gifts and Grants*. Interest cost incurred by proprietary funds for the fiscal year ended September 30, 2007 amounted to \$26,621,070, of which \$4,720,888 was capitalized.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

2. CASH AND INVESTMENTS

Additional cash and investment information is provided in Note 1, paragraph D (Summary of Significant Accounting Policies - Cash and Investments). The investments of the primary government are held by six blended entities.

County Internal Investment Pool	\$ 1,752,634,518	87.7%
Solid Waste Authority	237,851,227	11.9%
Property Appraiser	3,560,427	0.2%
Clerk & Comptroller	2,691,438	0.1%
Tax Collector	2,506,009	0.1%
Sheriff	1,910	0.0%
	<u>\$ 1,999,245,529</u>	<u>100.0%</u>

As of September 30, 2007, the primary government had the following investments:

Investment Type	Fair Value	Maturity in Years		
		Less Than 1 year	1 Year but Less Than 3 Years	3 Years but Less Than 10 Years
Investments subject to interest rate risk				
Adjustable Rate Mortgage Securities	\$ 489,721,250	\$ -	\$ 5,685,320	\$ 484,035,930
Mortgage Backed Securities	342,287,660	530,654	33,492,345	308,264,661
Callable Bonds	355,484,990	50,723,861	34,230,554	270,530,575
Collateralized Mortgage Obligations	282,256,417	404,570	31,771,433	250,080,414
Indexed Amortization Notes	181,250,066	-	7,930,699	173,319,367
External Investment Pool	26,810,795	-	26,810,795	-
Step Rate Bonds	20,188,628	-	-	20,188,628
Fixed Rate/Term Bonds	1,006,562	1,006,562	-	-
	<u>1,699,006,368</u>	<u>\$ 52,665,647</u>	<u>\$ 139,921,146</u>	<u>\$ 1,506,419,575</u>
Other investments				
External 2a7-like Investment Pool	271,705,311			
Guaranteed Investment Contracts	21,149,922			
Money Market Mutual Funds	7,383,928			
Total investments	<u><u>\$ 1,999,245,529</u></u>			
<p>Maturity date is used for callable bonds because the later date reports the greatest risk of fair value declines when interest rates rise. The next reset date is used for step rate bonds. The weighted average maturity of the underlying assets is used for asset backed securities, external pools and money market mutual funds.</p>				

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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's 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, County investments must have a final maturity or average life of 10 years or less. The County's investment policy limits investments in collateralized mortgage obligations (CMO) to 20% of total value of the County's internal investment pool. Investments in IO (interest only), PO (principal only), inverse floaters and other volatile CMO types as well as corporate convertible securities are prohibited. All CMO issues must pass the Federal Financial Institutions Examination Council (FFIEC) High Risk Security Test on a quarterly basis, or as specified in any Trust Indenture.

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

Credit Risk

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

Investments	Fair Value	Percentage of Total Portfolio	Standard & Poor's Investment Rating Service
Investments subject to credit risk			
U.S Government Sponsored Enterprises (GSE)	\$ 1,463,596,539	73.2%	AAA
Local Government Surplus Funds Trust Fund (SBA)	271,705,311	13.6%	Not rated
Florida Local Government Investment Trust (FLGIT)	26,810,795	1.3%	AAAf
Guaranteed Investment Contracts	21,149,922	1.1%	Not rated
Money Market Mutual Funds	7,383,928	0.4%	AAAm
Private Issue Collateralized Mortgage Obligation	1,910	0.0%	AAA
	1,790,648,405	89.6%	
Other investments			
U.S. Federal Agencies	208,597,124	10.4%	U.S. Guaranteed
Total investments	\$ 1,999,245,529	100.0%	
No rating by Moody's or Fitch was lower then Standard and Poor's. Some securities were not rated by Moody's and Fitch.			

On November 29, 2007 the Board of Trustees of the State Board of Administration (SBA) closed the Local Government Surplus Funds Trust Fund to all redemptions by participants due to substantial withdrawals over the two preceding weeks that severely

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

reduced the overall liquidity of the fund. On December 6, 2007 withdrawals (with some limitations) were permitted. In addition, for the month of November 2007 no investment earnings were credited to participating governments. See additional information in the notes for subsequent events.

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

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

Custodial Credit Risk- Investments

For an investment, this is the risk that in the event of a failure of the counter-party, the government will not be able to recover the value of its investments that are in the possession of an outside party.

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

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

Concentration Risk

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

Investment Issuer	Fair Value	Percentage of Total
Federal Home Loan Mortgage Company (Freddie Mac)	\$ 689,882,606	34.5%
Florida National Mortgage Association (Fannie Mae)	621,125,434	31.1%
State Board of Administration of Florida (SBA)	271,705,311	13.6%
Government National Mortgage Association (Ginnie Mae)	188,218,241	9.4%
Federal Home Loan Bank	150,588,479	7.5%
Other combined- less than 5% per issuer	77,725,458	3.9%
	\$ 1,999,245,529	100.0%

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

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

COMPONENT UNITS:

Westgate/Belvedere Homes Community Redevelopment Agency (CRA)

As of September 30, 2007, CRA was invested in the Local Government Surplus Funds Trust Fund (SBA) with a fair value of \$390,108. This is an external 2a7-like investment pool which is not SEC-registered. See Note 1 paragraph D (Summary of Significant Accounting Policies) for additional information.

Interest rate risk:

The weighted average maturity for the underlying investments of the SBA was 34 days as of September 30, 2007. CRA has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk:

The SBA is not rated. The CRA has no formal investment policy that limits investment credit risk.

Custodial credit risk- investments:

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

Concentration risk:

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Palm Beach County Housing Finance Authority (HFA)

As of September 30, 2007, HFA had the following investments:

Investments	Fair Value	Percent of Total Investments	Maturity	Standard & Poor's Investment Rating Service
Fidelity U.S. Treasury Portfolio Money Market Mutual Fund	\$ 470,078	5.7%	32 days	AAAm
Government National Mortgage Association Bond (Ginnie Mae)	137,610	1.7%	11/15/2024	Not rated, guaranteed by U.S. Govt
Government National Mortgage Association Bond (Ginnie Mae)	81,958	1.0%	4/15/2025	Not rated, guaranteed by U.S. Govt
Local Government Surplus Funds Trust Fund (State Board of Administration)	7,520,868	90.9%	34 days	Not Rated
Single Family Bond Issues	59,093	0.7%	See details in note	Not Rated
Total investments	8,269,607	<u>100.0%</u>		
Cash on hand	85			
Total cash and investments	<u>\$ 8,269,692</u>			

Single Family Bond Issues:

The Authority provided funds for the issuance costs of certain Housing Finance Authority of Palm Beach County Single Family Mortgage Revenue Bonds. Similar to interest-only strips, the repayment is being made by receipt of a certain fixed percentage of each monthly interest payment for GNMA Certificates and FNMA Securities related to the 1994 Series A and Series B, 1995 Series A, 1998 Series A, 1999 Series A and 1999 Series B Single Family Mortgage Revenue Bond Issues. The repayments from these Issues began as follows; 1994 Series A and Series B issue, November 1, 1999

1995 Series A issue, September 1995; 1998 Series A issue, December 31, 1998; 1999 Series A issue, October 15, 1999, and the 1999 Series B issue, April 18, 2000.

The investments in Single Family Bond Issues are valued at the costs incurred to date until the end of the Bond issue's certificate acquisition period (typically within 18 months). From that point forward, the investments are valued at fair value based on the assumed prepayment rates (between 150% and 100% of the Public Security Association prepayment model) and a discount rate of 10%. The fair value of these investments is subject to fluctuations in the prepayment rate. The valuations related to 1994 Series A and Series B, 1995 Series A, 1998 Series A, 1999 Series A, and the 1999 Series B are based on projections provided by the original bond underwriters. Any impairment to the recorded investment balance is recorded when identified.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

The following is a schedule of amounts originally provided by the Authority and cumulative amounts received:

	Amounts Provided (Cost)	Cumulative Amounts Received
1994 Series A and Series B	\$ 285,175	\$ 166,996
1995 Series A	170,205	381,922
1998 Series A	213,250	166,849
1999 Series A	378,000	319,543
1999 Series B	586,250	429,496

Investment in and maturity of Single Family Bond Issues for the years ended September 30, 2007 and 2006 consist of the following:

	1994 Series A and Series B 10/1/27	1995 Series A 4/1/27	1998 Series A 4/1/28	1999 Series A 4/1/32	1999 Series B 4/1/31	Total
2007						
Balance at October 1, 2006	\$ 0	\$ 0	\$ 10,487	\$ 27,043	\$ 29,216	\$ 66,746
Increase (decrease) in fair value	0	0	(8,402)	12,629	7,235	11,462
Principal receipts	<u>0</u>	<u>0</u>	<u>(2,085)</u>	<u>(9,265)</u>	<u>(7,765)</u>	<u>(19,115)</u>
Balance at September 30, 2007	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,407</u>	<u>\$ 28,686</u>	<u>\$ 59,093</u>

The Authority monitors the following deposit and investment risks.

Interest Rate Risk:

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Credit Risk:

Credit risk is the risk that an issuer will not fulfill its obligations. The Authority's investment policy addresses credit risk by limiting allowable investments to the State of Florida Local Government Surplus Funds Trust Fund, deposits with a financial institution meeting the requirements of a Florida qualified public depository, and securities guaranteed by the U.S. Government. The security rating by a Nationally Recognized Statistical Rating Organization (NRSRO) is also an indication of credit risk. The Local Government Surplus Funds Trust Fund and Single Family Bond issues do not carry a credit rating. The Fidelity Institutional U.S. Treasury Portfolio money market fund and GNMA securities are rated AAA by Standard & Poor's at September 30, 2007

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

Custodial Credit Risk:

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

Concentration of Credit Risk:

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

Metropolitan Planning Organization (MPO)

At September 30, 2007 MPO's equity in Palm Beach County's internal investment pool was \$287,128 which is included in the Statement of Net Assets in "Due from primary government.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Interest rate risk:

The County's internal investment pool had an effective duration of 2.6 years as of September 30, 2007. MPO has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk:

The County's internal investment pool is not rated. MPO has no formal investment policy that limits investment credit risk.

Custodial credit risk- investments:

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

Concentration risk:

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

3. RELATED PARTY TRANSACTIONS

Various departments within the County provide goods, administration, public safety, maintenance and various other services to other operating departments. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties. The most significant of these transactions involves the reimbursement of indirect costs. Accordingly, the reimbursement of these indirect costs in fiscal year 2007 was \$16,036,287.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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	\$ 635,818,097	\$ 66,533,889	\$ (1,593,117)	\$ 700,758,869
Construction In Progress	303,503,668	198,423,585	(167,059,067)	334,868,186
Total non-depreciable assets	<u>939,321,765</u>	<u>264,957,474</u>	<u>(168,652,184)</u>	<u>1,035,627,055</u>
Depreciable assets:				
Buildings and improvements	669,094,890	85,240,310	(1,648,271)	752,686,929
Improvements other than buildings	230,832,268	47,956,714	(188,331)	278,600,651
Equipment	469,221,820	75,773,639	(35,055,256)	509,940,203
Infrastructure	1,134,507,566	21,477,515	-	1,155,985,081
Total depreciable assets	<u>2,503,656,544</u>	<u>230,448,178</u>	<u>(36,891,858)</u>	<u>2,697,212,864</u>
Less accumulated depreciation for:				
Buildings and improvements	(219,892,198)	(19,197,348)	1,237,580	(237,851,966)
Improvements other than buildings	(142,414,607)	(9,527,112)	78,191	(151,863,528)
Equipment	(318,591,176)	(47,234,071)	33,184,211	(332,641,036)
Infrastructure	(889,709,795)	(24,716,919)	-	(914,426,714)
Total accumulated depreciation	<u>(1,570,607,776)</u>	<u>(100,675,450)</u>	<u>34,499,982</u>	<u>(1,636,783,244)</u>
Total capital assets, being depreciated, net	<u>933,048,768</u>	<u>129,772,728</u>	<u>(2,391,876)</u>	<u>1,060,429,620</u>
Total governmental capital assets, net	<u>\$1,872,370,533</u>	<u>\$ 394,730,202</u>	<u>\$(171,044,060)</u>	<u>\$ 2,096,056,675</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 152,267,915	\$ 8,541,661	\$ (193,398)	\$ 160,616,178
Construction In Progress	169,175,728	212,549,357	(116,528,388)	265,196,697
Total non-depreciable assets	<u>321,443,643</u>	<u>221,091,018</u>	<u>(116,721,786)</u>	<u>425,812,875</u>
Depreciable assets:				
Buildings and improvements	532,660,100	15,610,658	(70,268)	548,200,490
Improvements other than buildings	1,099,035,782	126,719,043	(26,098)	1,225,728,727
Equipment	218,027,445	17,306,468	(9,110,683)	226,223,230
Easement rights	13,740,457	-	-	13,740,457
Leasehold interest	12,010,002	-	-	12,010,002
Goodwill	5,286,966	-	-	5,286,966
Total depreciable assets	<u>1,880,760,752</u>	<u>159,636,169</u>	<u>(9,207,049)</u>	<u>2,031,189,872</u>
Less accumulated depreciation for:				
Buildings and improvements	(222,082,941)	(20,446,560)	30,356	(242,499,145)
Improvements other than buildings	(414,834,818)	(31,473,913)	26,098	(446,282,633)
Equipment	(140,370,401)	(17,161,848)	8,914,853	(148,617,396)
Easement rights	(1,784,162)	(343,512)	-	(2,127,674)
Leasehold interest	(552,555)	(1,201,000)	-	(1,753,555)
Goodwill	(78,445)	(176,232)	-	(254,677)
Total accumulated depreciation	<u>(779,703,322)</u>	<u>(70,803,065)</u>	<u>8,971,307</u>	<u>(841,535,080)</u>
Total capital assets, being depreciated, net	<u>1,101,057,430</u>	<u>88,833,104</u>	<u>(235,742)</u>	<u>1,189,654,792</u>
Total business-type capital assets, net	<u>\$ 1,422,501,073</u>	<u>\$ 309,924,122</u>	<u>\$ (116,957,528)</u>	<u>\$ 1,615,467,667</u>

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

Governmental Activities:

General government	\$ 18,094,834
Public safety	23,693,963
Physical environment	844,620
Transportation	30,279,648
Economic environment	208,884
Human services	1,281,912
Culture and recreation	13,499,622
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on their usage of the assets.	<u>12,483,503</u>
Total depreciation expense - governmental activities	100,386,986
Adjustments to accumulated depreciation	<u>288,464</u>
Total increases to accumulated depreciation	<u>\$ 100,675,450</u>

Business-type Activities:

Water Utilities Department	\$ 32,354,767
Department of Airports	20,012,058
Solid Waste Authority	<u>18,436,240</u>
Total depreciation expense - business-type activities	<u>\$ 70,803,065</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Discretely presented component unit

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

	Beginning Balance	Additions	Deductions	Ending Balance
Non-depreciable assets:				
Land	\$ 338,851	\$ 465,883	\$ -	\$ 804,734
Total non-depreciable assets	338,851	465,883	-	804,734
Depreciable assets:				
Equipment	9,023	6,880	-	15,903
Total depreciable assets	9,023	6,880	-	15,903
Less accumulated depreciation for:				
Equipment	(9,023)	(323)	-	(9,346)
Total accumulated depreciation	(9,023)	(323)	-	(9,346)
Total capital assets, being depreciated, net	-	6,557	-	6,557
Total component unit capital assets, net	\$ 338,851	\$ 472,440	\$ -	\$ 811,291

5. INTERFUND TRANSFERS IN AND OUT

Interfund transfers in and out during fiscal year 2007 were as follows:

Interfund Transfers In	Interfund Transfers Out	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Law Enforcement Grants Special Revenue Fund	\$ 754,262
	Other Special Revenue Funds	16,810,199
	Sheriff Special Revenue Fund	10,291,893
	Clerk & Comptroller Special Revenue Fund	2,798,390
	Parks and Recreation Capital Projects	2,143,961
	Combined Insurance Fund	406,237
	Supervisor of Elections Special Revenue Fund	651,827
	Other Financing Debt Service Fund	4,752,451
	General Government Capital Projects	14,070,849
		<u>\$ 52,680,069</u>
Fire Rescue Special Revenue Fund	General Fund	\$ 150,000
	Community & Social Development Special Revenue Fund	50,000
	Other Special Revenue Funds	7,305,028
		<u>\$ 7,505,028</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Sheriff Special Revenue Fund	General Fund	\$ 385,905,945
	Law Enforcement Grants Special Revenue Fund	3,917,694
	Other Special Revenue Funds	658,870
		\$ 390,482,509
General Government Capital Projects	General Fund	\$ 79,484,019
	Tourist Development Special Revenue Fund	1,000,000
	Law Enforcement Grants Special Revenue Fund	250,000
	Palm Tran Special Revenue Fund	189,736
	Other Special Revenue Funds	232,854
	Sheriff Special Revenue Fund	356,746
	Clerk & Comptroller Special Revenue Fund	157,894
	Road Program Capital Projects	110,000
	Fleet Management	97,052
	ISS	1,500,000
		\$ 83,378,301
Road Program Capital Projects	General Fund	\$ 750,000
	County Transportation Trust Special Revenue Fund	81,601
		\$ 831,601
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	General Fund	\$ 1,113,560
	Other Special Revenue Funds	221,443
	General Government Capital Projects	99,839
		\$ 1,434,842
County Transportation Trust Special Revenue Fund	General Fund	\$ 7,525,786
	Other Special Revenue Funds	4,666,935
	Road Program Capital Projects	18,927,371
		\$ 31,120,092
Community & Social Development Special Revenue Fund	General Fund	\$ 14,918,500
	County Transportation Trust Special Revenue Fund	280,000
	General Government Capital Projects	442,000
	Road Program Capital Projects	48,400
		\$ 15,688,900
Palm Tran Special Revenue Fund	General Fund	\$ 31,754,567
	General Government Capital Projects	125,125
	Road Program Capital Projects	519,600
		\$ 32,399,292
Other Special Revenue Funds	General Fund	\$ 2,405,039
	Law Enforcement Grants Special Revenue Fund	85,749
	General Government Capital Projects	499,555
		\$ 2,990,343

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Clerk & Comptroller Special Revenue Fund	General Fund	\$ 17,803,724
		<u>\$ 17,803,724</u>
Supervisor of Elections Special Revenue Fund	General Fund	\$ 9,883,688
		<u>\$ 9,883,688</u>
Nonmajor Debt Service Funds		
Revenue Bonds Debt Service Fund	Tourist Development Special Revenue Fund	\$ 6,118,647
	Other Special Revenue Funds	57,815,510
	Other Financing Debt Service Fund	34,971
	General Government Capital Projects	10,617,322
		<u>\$ 74,586,450</u>
Other Financing Debt Service Fund	General Fund	\$ 289,934
	Tourist Development Special Revenue Fund	30,000
	Other Special Revenue Funds	14,775,783
	Revenue Bonds Debt Service Fund	4,541
	Environmental Lands Capital Projects	6,532,537
	General Government Capital Projects	1,015,392
	Parks and Recreation Capital Projects	143,582
		<u>\$ 22,791,769</u>
Nonmajor Capital Projects Funds		
Environmental Lands Capital Projects	General Fund	\$ 1,100,000
	Tourist Development Special Revenue Fund	2,300,832
		<u>\$ 3,400,832</u>
Fire Rescue Capital Projects	Fire Rescue Special Revenue Fund	\$ 21,870,030
	Other Special Revenue Funds	2,100,000
		<u>\$ 23,970,030</u>
Libraries Capital Projects	Library Taxing District Special Revenue Fund	\$ 11,138,163
		<u>\$ 11,138,163</u>
Parks & Recreation Capital Projects	General Fund	\$ 3,585,007
	Other Special Revenue Funds	157,988
		<u>\$ 3,742,995</u>
Street Drainage Capital Projects	General Fund	\$ 3,000,000
	General Government Capital Projects	221,500
	Road Program Capital Projects	656,357
		<u>\$ 3,877,857</u>
Total Nonmajor Governmental Funds		<u>\$ 254,828,977</u>
Proprietary Funds:		
Enterprise Funds		
Airports	Road Program Capital Projects	\$ 28,033
		<u>\$ 28,033</u>

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

Water Utilities	General Fund	\$ 2,500,000
		\$ 2,500,000
Internal Service Funds		
ISS	General Government Capital Projects	\$ 107,294
		\$ 107,294
Total Internal Service Funds		\$ 107,294
Total Interfund Transfers Primary Government		\$ 792,341,812

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) provide matching funds for the County’s portion of grant agreements, (4) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (5) provide funding for various capital projects.

6. RETIREMENT PLANS

FLORIDA RETIREMENT SYSTEM

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

The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the Florida Division of Retirement, Research, Education & Policy Section, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32315-9000 or calling 1-850-488-5706 or accessing their website site at: http://dms.myflorida.com/human_resource_support/retirement.

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

The FRS Pension Plan provides for vesting of benefits after 6 years of creditable service. Benefits are based on age, average final compensation and years-of-service credit. Average final compensation is the average of the five highest fiscal years of earnings. Members are eligible for normal retirement when they have met the minimum

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

requirements established by their membership class. Regular Class members are eligible for normal retirement if they are vested and age 62 or if they have 30 years of creditable service regardless of age. Early retirement may be taken any time after vesting. However, there is a 5% reduction of benefits for each year prior to normal retirement age or date. The percentage level of employees' payroll contribution rates is determined using the frozen entry age actuarial cost method.

Beginning July 1, 1998, the FRS implemented the Deferred Retirement Option Program (DROP), which is a program within the FRS Pension Plan that allows members to retire without terminating their employment for up to five years while their retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5%. Members may participate in DROP when they are vested and have reached their normal retirement date. When the DROP period ends, members must terminate employment. At that time, members will receive their accumulated DROP benefits and begin receiving their monthly retirement benefit.

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

Funding Policy - The contribution requirements of the County are established and may be amended by the Florida Legislature. The County's contributions to FRS for the years ended September 30, 2007, 2006, and 2005 were \$87.9 million, \$70.7 million, and \$60.5 million, respectively, equal to the required contributions for each year.

The following membership classes and rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2007:

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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, 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, Florida 33410 or calling 1-561-624-3277 or accessing their website at: www.resourcecenters.com.

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

The County’s required contribution was determined as part of the January 1, 2007 actuarial valuation using the Entry Age Normal actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return and (b) projected salary increases of 5.0% - 12.5%. Both (a) and (b) included an inflation component of 4.0%. The actuarial value of the Plan’s assets was determined using the 5-year Smoothed Market asset valuation method. The Plan’s unfunded actuarial liability is being amortized using the Level Percent Closed amortization method. The remaining amortization period for the Plan is 30 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/04	\$2,632,934	100%	\$ -
12/31/05	2,761,386	100	\$ -
12/31/06	2,909,900	100	\$ -

LANTANA FIREFIGHTER’S – DEFINED BENEFIT/CONTRIBUTION PLAN

Plan Description – The Lantana Firefighter’s Pension Fund (LFPF) is a combined defined benefit and defined contribution pension plan covering Town of Lantana (Town) fire fighters employed by Palm Beach County (County). LFPF is governed by a Board of Trustees made up of representatives of the fire fighters 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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

Center, at 4360 Northlake Blvd., Suite 206, Palm Beach Gardens, Florida 33410 or calling 1-561-624-3277 or accessing their website at: www.resourcecenters.com.

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 51.25% of annual covered payroll.

The County’s required contribution was determined as part of the September 30, 2006 actuarial valuation using the individual entry age actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return and (b) projected salary increases of 7.0%. Both (a) and (b) included an inflation component of 5.0%. The actuarial value of LFPF assets was determined using the market value. LFPF’s unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2006 ranges from 4-20 years.

Note: The Actuarial Valuation report for 09/30/07 was not available.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/04	\$633,634	100%	\$ -
09/30/05	708,667	100	\$ -
09/30/06	833,858	100	\$ -

COMPONENT UNIT

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

See pages 58 and 59 for plan description and funding policy of the Florida Retirement System defined benefit and contribution plans. The contribution requirements of CRA are established and may be amended by the Florida Legislature. The CRA’s contributions to FRS for the years ended September 30, 2007, 2006, and 2005 were \$16,993, \$13,349, and \$13,867, respectively, equal to the required contributions for each year.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

7. COMMITMENTS

County Home

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

Outstanding Purchase Orders and Contracts

Purchase orders and contracts (including construction contracts) had been executed, but goods and services were not received in approximately the amounts shown below as of September 30, 2007:

<u>Fund</u>	<u>Amount</u>
Capital Projects Funds	\$ 222,186,025
Solid Waste Authority	50,980,023
Department of Water Utilities	48,389,000
Department of Airports	37,165,498
Special Revenue Funds	25,032,152
General Fund	3,905,280
Internal Service Funds	3,606,507
Clerk & Comptroller	740,824
Tax Collector	89,364
Property Appraiser	9,983
Total	<u><u>\$ 392,104,656</u></u>

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

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

turned over to Scripps at the end of the agreement provided they meet certain minimum new job creation requirements. Scripps and FAU entered into a 99 year lease for the permanent facilities site on the FAU campus. Scripps has committed to strive to create or relocate 2,777 new jobs at the Scripps site. Scripps and the County agree to work cooperatively to create or relocate to the County an aggregate total of 6,500 Scripps new jobs and related employer new jobs. The agreement between the County and Scripps ends on February 6, 2021. The County has paid \$97.8 million towards this commitment as of September 30, 2007.

The Board approved developer agreements on April 10, 2007 and certain financial commitments for the convention hotel and garage. The funding for which will be up to \$ 42 million in tax exempt bonds for the garage and up to \$32 million in taxable bonds for the hotel. The funding is subject to Board approval of a guaranteed construction contract for the garage and the Developer obtaining financing and completing the construction of the hotel.

In September 2007, the Board tentatively committed \$87 million in County funding for construction of the Max Planck Society's (MPS) headquarters at Florida Atlantic University's (FAU) Jupiter campus. The conceptual approval of this facility moves the County closer to being a leader in biotechnology research and development. It is estimated that hundreds of jobs will be created by MPS' partnering with FAU and the Scripps Institute.

Land Acquisition

Palm Beach County School Board – On September 21, 1993, an agreement (R93-1188D) was entered into by the Palm Beach County School Board (School Board) and Palm Beach County for co-location of facilities and exchange of properties. This Agreement establishes a process to facilitate joint planning for co-located facilities and also establishes a mechanism by which properties owned by either party can be exchanged with the other party which has a need therefore. The Agreement also establishes a credit system whereby properties can be transferred and payments deferred for up to two years while offsetting exchanges are completed. As of September 30, 2007, Palm Beach County owes the School Board \$121,550 under the Funding Agreement.

Land Commitment

During 1996, SWA purchased approximately 1,600 acres of farmland in western Palm Beach County as a replacement waste disposal site. SWA has entered into a ten year operating lease with the former owner of the western county site to maintain and continue farming the property. The lease provides for annual rental payments to SWA adjusted each year based on the change in the producer price index for raw cane sugar, provided that the total annual rent shall not exceed \$450,000. Rental income from this lease for the years ended September 30, 2007 and 2006 was approximately \$300,000 each year. The carrying value of the land subject to the lease was approximately \$8 million at September 30, 2007 and 2006. The lease also provides the option to extend the term for six additional periods of four years each under the same terms and conditions. SWA retains the right to terminate the lease in part for areas designated for development by SWA after the initial ten year term. Management expects the operating lease to be renewed until the property is utilized for its intended purpose as a replacement waste disposal site.

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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, 2007, is actuarially determined based on the requirements of GASB 10, which specifies that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Property and Liability

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

With the exception of the Sheriff, Clerk & Comptroller, and Property Appraiser, all funds of the County participate in the program and make payments to the Property and Liability Insurance Fund, included in the Combined Insurance Fund, based on estimates of the amounts needed to pay prior and current year claims. The claims liability reported in this fund at September 30, 2007 is \$8,936,000.

During claim years 2007 and 2006, changes recorded to the claims liability for property and liability insurance were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2006	\$ 6,464,000	\$ 2,879,000	\$ (797,000)	\$ 8,546,000
2007	8,546,000	1,363,000	(973,000)	8,936,000

Workers' Compensation Insurance

The County has self-funded its workers' compensation exposure since 1969. This fund covers all employees of the Board of County Commissioners, the Supervisor of Elections, the Clerk & Comptroller, the Property Appraiser, and the Tax Collector. Although the Sheriff's payroll and losses are reported to the State by the risk management department, the Sheriff

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

administers his own program. The County is 100% self-insured for workers' compensation exposures beginning October 1, 1993.

With the exception of the Sheriff, all funds of the County participate in the program and make payments to the Workers' Compensation Insurance Fund, included in the Combined Insurance Fund, based on estimates of the amounts needed to pay prior and current year claims. The claims liability reported in this fund at September 30, 2007 is \$43,194,000.

During claim years 2007 and 2006, changes recorded to the claims liability for workers' compensation insurance were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2006	\$ 35,291,000	\$ 7,210,000	\$ (4,614,000)	\$ 37,887,000
2007	37,887,000	12,032,000	(6,725,000)	43,194,000

Employee Group Health Insurance

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

With the exception of the Constitutional Officers who have separately contracted for health insurance coverage, all funds of the County, as well as the Solid Waste Authority, participate in the program and make payments to the Employee Health Insurance fund, included in the Combined Insurance Fund, based on estimates of amounts needed to pay prior and current year claims. The claims liability reported in the fund at September 30, 2007 is \$4,313,965.

During claim years 2007 and 2006, changes recorded to the claims liability for employee health insurance were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2006	\$ 2,763,328	\$ 33,633,789	\$ (32,988,682)	\$ 3,408,435
2007	3,408,435	47,335,906	(46,430,376)	4,313,965

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

to a maximum of approximately \$312 million, subject to various policy sub-limits, generally ranging from \$1 million to \$45 million and deductibles ranging from \$10,000 to \$250,000 per occurrence. The SWA also purchases commercial insurance for general liability claims with coverage up to \$1 million per occurrence and \$2 million general aggregate, with excess liability coverage of \$25 million, all subject to various deductibles up to \$10,000 per occurrence. General liability claims are limited by the Florida constitutional doctrine of sovereign immunity to \$100,000 per claim and \$200,000 per occurrence unless a higher claim is approved by the Florida Legislature.

The SWA purchases commercial insurance for workers' compensation benefits with a \$500,000 per occurrence and per employee policy limit, subject to a deductible of \$250,000 per occurrence and per claim, up to a maximum of approximately \$1.4 million for 2007. 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, 2007 and 2006 were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2006	\$ 448,000	237,429	(237,429)	\$ 448,000
2007	448,000	346,504	(346,504)	448,000

Effective January 1, 2003, the SWA contracted with Palm Beach County to provide employee health benefits through the County's self-insurance program for employee benefits. The County plan provides health insurance benefits to County employees and employees of component units of the County electing to participate in the plan. The County plan covers approximately 4,900 participants and is designed to be self-sustaining through actuarially determined premiums established annually to cover expected claims, administration and a margin for unexpected losses or expenses. The County purchases commercial insurance for claims in excess of the annual stop loss deductible of \$500,000 per person. The SWA pays a monthly premium based on the number of SWA employees participating in the plan and does not retain risk of loss for employee health claims, but is obligated to pay the premiums established by the County to fund the plan. For the year ended September 30, 2007 and 2006, the SWA paid premiums of \$4,116,798 and \$3,971,234 respectively, to the County for approximately 400 participating employees. The SWA does not expect any additional premium assessments for 2007 or prior years.

SHERIFF

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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, 2007 is \$14,069,096. This amount is based on the requirements of GASB 10 which specifies that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

During claim years 2007 and 2006, changes recorded to the claims liability for general liability were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2006	\$ 14,915,553	\$ 379,156	\$ (3,802,199)	\$ 11,492,510
2007	11,492,510	6,494,703	(3,918,117)	14,069,096

Workers' Compensation Insurance

The Sheriff's office is self-funded for its workers' compensation exposure. The claims liability reported at September 30, 2007 is \$19,568,839. 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 2007 and 2006, changes recorded to the claims liability for workers' compensation were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2006	\$ 22,214,852	\$ 6,937,375	\$ (6,199,168)	\$ 22,953,059
2007	22,953,059	2,942,863	(6,327,083)	19,568,839

Employee Group Health Insurance

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

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

CLERK & COMPTROLLER

Employee Group Health Insurance

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

During claim years 2007 and 2006, changes recorded to the claims liability for health insurance were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2006	\$ 813,000	\$ 5,379,207	\$ (5,522,207)	\$ 670,000
2007	670,000	6,543,038	(6,681,038)	532,000

TAX COLLECTOR

Employee Group Health and Dental Insurance

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

9. OTHER POST EMPLOYMENT BENEFITS

In accordance with Palm Beach County Sheriff’s Office policy, Sheriff’s Office employees, upon separation may elect to retain coverage for medical and dental insurance under the Sheriff’s Office group plans. Employees leaving the agency in good standing and electing to retain medical and/or dental coverage may receive a monthly, prorated health insurance subsidy benefit based on years of service rendered to the Sheriff. Premium cost over and above the subsidy amount is the sole responsibility of the former employee. If the election is not made at separation, former employees will not be eligible to receive the benefit at a later date.

This benefit is provided by the Palm Beach County Sheriff’s Office as insurance premiums are paid. There were 541 participants at September 30, 2007. Expenditures for the insurance subsidy benefit program for the fiscal year ended September 30, 2007 totaled \$1,934,601.

10. LEASES

Leases Receivable: Enterprise Funds

The County’s Department of Airports leases a major portion of its property to other entities. Certain leases provide for minimum rentals plus a specified percentage of the tenants’ gross

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

revenues. Contingent rental income under such arrangements amounted to approximately \$5,876,000 in fiscal year 2007. All leases have been classified as operating leases.

Minimum future rentals under these operating leases are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Department of</u> <u>Airports</u>
2008	\$ 33,630,702
2009	20,705,043
2010	20,383,408
2011	20,397,253
2012	5,335,059
Thereafter	<u>57,327,562</u>
Total	<u><u>\$ 157,779,027</u></u>

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

	<u>September 30, 2007</u>
Buildings	\$ 203,851,020
Less: accumulated depreciation	<u>(100,951,950)</u>
Net Buildings	102,899,070
Land	<u>5,742,182</u>
Total property held for lease	<u><u>\$ 108,641,252</u></u>

Lease Obligations

The County has entered into various leases which are classified as operating or capital leases for accounting purposes. Total rent expense for operating leases for the fiscal year ended September 30, 2007 amounted to approximately \$4,102,495 comprised of \$3,734,638 for Governmental funds, \$161,945 for Enterprise Funds, and \$205,912 for Internal Service Funds.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Operating Leases

Future minimum rental payments under noncancellable operating leases as of September 30, 2007 are as follows:

Fiscal Year	Governmental Funds	Enterprise Funds	Internal Service Funds
2008	\$ 3,488,302	\$ 125,437	\$ 182,640
2009	2,103,768	74,991	151,659
2010	1,258,566	28,707	63,822
2011	854,394	6,213	32,567
2012	299,691	-	-
Thereafter	1,174,052	-	-
Total	<u>\$ 9,178,773</u>	<u>\$ 235,348</u>	<u>\$ 430,688</u>

Capital Leases

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. There were no Capital leases in the proprietary fund types. Future minimum lease payments under capital leases as of September 30, 2007 are as follows:

<u>Fiscal Year</u>	<u>Governmental Funds</u>
2008	\$ 4,584
2009	4,584
2010	3,438
Total minimum lease payments	<u>12,606</u>
Less: imputed interest	<u>(1,312)</u>
Present value of minimum lease payments	<u>\$ 11,294</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

The following schedule shows the leased assets capitalized as of September 30, 2007, by major asset class:

	Governmental Funds Capital Assets
Equipment	\$ 18,958
Less: accumulated depreciation for entity wide	(9,734)
Carrying value	\$ 9,224

11. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The SWA operated one active landfill site for the year ended September 30, 2007. 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. The \$23,379,064 reported as landfill closure and postclosure care liability at September 30, 2007 represents the cumulative amount reported to that date based on the use of 32.6 percent of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately \$57.8 million for the operating landfill as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007. Based on current demographic information and engineering estimates of landfill consumption, the SWA expects to close the landfill in approximately 2021. 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, 2007 assets of \$28,098,999 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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, 2007, the statutorily required escrow account balances were as follows:

Site	September 30, 2007
Site 7 closure costs	\$ 22,395,196
Dyer landfill long-term care	324,432
Belle Glade landfill long-term care	19,621
	<u>\$ 22,739,249</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, 2007, 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.

12. ADVANCE REFUNDING OF DEBT

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.

The amount of in-substance defeased bonds outstanding as of September 30, 2007, consists of the following:

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

<u>Bond Issues</u>	<u>Amount</u>
Governmental Funds:	
Stadium Facilities Revenue Bonds, 1996	\$ 17,280,000
Revenue Improvement Bonds (N Cnty Courthouse), 1997	13,595,000
General Obligation Bonds (Recreational & Cultural Fac), 1999A	15,520,000
General Obligation Bonds (Land Acquisition), 1999B	52,305,000
General Obligation Bonds (Land Acquisition), 2001	57,985,000
Public Improvement Revenue Bonds (Convention Center Project), 2001	73,390,000
	<u>230,075,000</u>
Proprietary Funds:	
Pollution Control Loan Agreement, 1976	4,405,000
Water & Sewer Refunding Revenue Bonds, 1986	10,685,000
Solid Waste Authority Refunding Revenue Bonds, 1997A	10,695,000
Water & Wastewater Revenue Bonds, 1998	12,115,000
Airport Refunding Revenue Bonds, 2001	12,240,000
Airport Refunding Revenue Bonds, 2002	14,740,000
	<u>64,880,000</u>
Total Defeased Bonds Outstanding	\$ 294,955,000

COMPONENT UNIT:

Westgate/Belvedere Homes Community Redevelopment Agency (CRA) – The Series 1999 Bonds were issued for the purpose of providing the monies required to pay the cost of advance refunding. CRA’s Series 1992 Bonds were used to construct and install certain infrastructure improvements in the redevelopment area, make a deposit to the Reserve Account, and pay costs relating to the issuance of Series 1992 Bonds. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the bond issues being refunded. Refunded bonds are not included in CRA’s outstanding debt since CRA has legally satisfied its obligations through the refunding transactions. Defeased bonds are \$2,035,000 at September 30, 2007.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

13. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2007, are expected to be repaid within one year. Interfund receivable and payable balances at September 30, 2007 were as follows:

Interfund Receivable Fund	Interfund Payable Fund	Amount
Governmental Funds:		
Major Governmental Funds		
General Fund	Law Enforcement Grants Special Revenue Fund	\$ 1,316,438
	Community & Social Development Special Revenue Fund	11,459,785
	Other Special Revenue Funds	16,033,776
	Sheriff Special Revenue Fund	10,304,624
	Clerk & Comptroller Special Revenue Fund	2,825,817
	Tax Collector Special Revenue Fund	36,509,463
	Property Appraiser Special Revenue Fund	1,800,976
	Supervisor of Elections Special Revenue Fund	680,202
	Airports	1,337
	Solid Waste Authority	16,906
		<u>\$ 80,949,324</u>
Fire Rescue Special Revenue Fund	General Fund	\$ 19
	Sheriff Special Revenue Fund	10,618
	Tax Collector Special Revenue Fund	2,709,533
	Property Appraiser Special Revenue Fund	140,911
		<u>\$ 2,861,081</u>
Sheriff Special Revenue Fund	General Fund	\$ 2,342
	Law Enforcement Grants Special Revenue Fund	65,523
		<u>\$ 67,865</u>
General Government Capital Projects	Palm Tran Special Revenue Fund	\$ 135,758
	Law Enforcement Grants Special Revenue Fund	250,000
	Sheriff Special Revenue Fund	68,656
	Clerk & Comptroller Special Revenue Fund	110,841
	Tax Collector Special Revenue Fund	12,190
	Property Appraiser Special Revenue Fund	110,000
		<u>\$ 687,445</u>
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds		
Law Enforcement Grants Special Revenue Fund	General Fund	\$ 113,560
	Other Special Revenue Funds	221,443
	Sheriff Special Revenue Fund	3,806,429
		<u>\$ 4,141,432</u>
Library Taxing District Special Revenue Fund	Tax Collector Special Revenue Fund	\$ 707,857
	Property Appraiser Special Revenue Fund	36,834
		<u>\$ 744,691</u>
Community & Social Development Special Revenue Fund	General Fund	\$ 11,392,154
		<u>\$ 11,392,154</u>
Affordable Housing (SHIP) Trust Fund Special Revenue Fund	Community & Social Development Special Revenue Fund	\$ 3,096
		<u>\$ 3,096</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Other Special Revenue Funds	General Fund	\$ 4,355
	Fire Rescue Special Revenue Fund	27,012
	Clerk & Comptroller Special Revenue Fund	237,482
	Sheriff Special Revenue Fund	17,285
	General Government Capital Projects	428,839
	Solid Waste Authority	2,926
		<u>\$ 717,899</u>
Clerk & Comptroller Special Revenue Fund	General Fund	\$ 606,166
	Library Taxing District Special Revenue Fund	477
	Community & Social Development Special Revenue Fund	36
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	197
	Other Special Revenue Funds	188
	Tax Collector Special Revenue Fund	22,176
	Road Program Capital Projects	1,592
	Airports	35,900
	Water Utilities	3,096
	Clerk & Comptroller Insurance Fund	85,604
		<u>\$ 755,432</u>
Nonmajor Debt Service Funds		
Other Financing Debt Service	Revenue Bonds Debt Service	\$ 7,018
		<u>\$ 7,018</u>
Nonmajor Capital Projects Funds		
Criminal Justice Capital Projects	Revenue Bonds Debt Service	\$ 206,295
		<u>\$ 206,295</u>
Street & Drainage Capital Projects	Tax Collector Special Revenue Fund	\$ 4,715
		<u>\$ 4,715</u>
Total Nonmajor Governmental Funds		<u>\$ 17,972,732</u>
Proprietary Funds:		
Enterprise Funds		
Airports	General Fund	\$ 275,101
		<u>\$ 275,101</u>
Water Utilities	General Fund	\$ 14,439
	County Transportation Trust Special Revenue Fund	882
	Library Taxing District Special Revenue Fund	1,338
	Fire Rescue Special Revenue Fund	1,756
	Community & Social Development Special Revenue Fund	564
	Other Special Revenue Funds	606
	Tax Collector Special Revenue Fund	7,213
	Libraries Capital Projects	204
	Graphics	187
	Airports	15,704
		<u>\$ 42,893</u>
Solid Waste Authority	General Fund	\$ 133
	County Transportation Trust Special Revenue Fund	18,918
	Tax Collector Special Revenue Fund	1,704,167
	Airports	917
		<u>\$ 1,724,135</u>
Internal Service Funds		
Fleet Management	General Fund	\$ 901,852
	County Transportation Trust Special Revenue Fund	565,998
	Municipal Service Taxing District Special Revenue Fund	63,815
	Library Taxing District Special Revenue Fund	7,434

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

	Community & Social Development Special Revenue Fund	69,026
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	175
	Fire Rescue Special Revenue Fund	83,242
	Palm Tran Special Revenue Fund	3,169
	Other Special Revenue Funds	22,137
	Sheriff Special Revenue Fund	427,949
	Clerk & Comptroller Special Revenue Fund	2,749
	Tax Collector Special Revenue Fund	10,704
	Property Appraiser Special Revenue Fund	752
	Supervisor of Elections Special Revenue Fund	4,590
	Road Program Capital Projects	17,743
	Airports	40,815
	Water Utilities	166,157
	Solid Waste Authority	237
	Graphics	743
	Combined Insurance Fund	418
	ISS	5,253
		<u>\$ 2,394,958</u>
Graphics	Clerk & Comptroller Special Revenue Fund	\$ 1,297
	Tax Collector Special Revenue Fund	892
		<u>\$ 2,189</u>
Combined Insurance Fund	General Fund	\$ 715,460
	Tourist Development Special Revenue Fund	1,783
	County Transportation Trust Special Revenue Fund	118,458
	Municipal Service Taxing District Special Revenue Fund	60,454
	Library Taxing District Special Revenue Fund	112,747
	Community & Social Development Special Revenue Fund	136,621
	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	3,594
	Hurricane Housing Recovery Plan Fund Special Revenue Fund	652
	Fire Rescue Special Revenue Fund	18,501
	Palm Tran Special Revenue Fund	213,224
	Other Special Revenue Funds	15,744
	General Government Capital Projects	1,210
	Road Program Capital Projects	18,435
	Airports	49,476
	Water Utilities	163,854
	Solid Waste Authority	390,386
	Fleet Management	24,767
	Graphics	3,318
	ISS	71,366
		<u>\$ 2,120,050</u>
ISS	General Fund	\$ 1,166,395
	Tourist Development Special Revenue Fund	752
	County Transportation Trust Special Revenue Fund	1,463
	Municipal Service Taxing District Special Revenue Fund	170,786
	Library Taxing District Special Revenue Fund	9,297
	Community & Social Development Special Revenue Fund	4,524
	Fire Rescue Special Revenue Fund	59,265
	Palm Tran Special Revenue Fund	41,277
	Other Special Revenue Funds	101,046
	Clerk & Comptroller Special Revenue Fund	495,690
	Tax Collector Special Revenue Fund	332,364
	Property Appraiser Special Revenue Fund	96,058
	General Government Capital Projects	149,779
	Airports	14,266
	Water Utilities	145,385
	Fleet Management	9,487
	Graphics	2,781
	Combined Insurance Fund	46,328
		<u>\$ 2,846,943</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Clerk & Comptroller Insurance Fund	Clerk & Comptroller Special Revenue Fund	\$ 299,225
		\$ 299,225
Total Internal Service Funds		\$ 7,663,365
Total Interfund Receivables and Payables Primary Government		\$ 112,243,941
Receivables and Payables Between Primary Government and Component Units:		
Interfund Receivable Primary Government Fund	Interfund Payable Component Unit Fund	Amount
Combined Insurance Fund	Metropolitan Planning Organization	\$ 2,813
		\$ 2,813
ISS	Metropolitan Planning Organization	\$ 3,579
		\$ 3,579
Interfund Receivable Component Unit Fund	Interfund Payable Primary Government Fund	Amount
Metropolitan Planning Organization	General Fund	\$ 287,128
		\$ 287,128
Total Receivables and Payables Between Primary Government and Component Units		\$ 293,520

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.

14. SHORT-TERM DEBT

Changes in Short-Term Liabilities - The following is a summary of changes in the short-term liabilities for the year ended September 30, 2007 for governmental activities:

Governmental activities:	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>
\$10.5M Taxable BAN Convention Center, Series 2005	\$ 10,500,000	\$ -	\$ 10,500,000	\$ -
\$20M BAN Jail Facilities, Series 2007	-	20,043,500	-	20,043,500
Total Short-Term Liabilities	\$ 10,500,000	\$ 20,043,500	\$ 10,500,000	\$ 20,043,500

On September 20, 2007, the County issued the \$20,043,500 Public Improvement Revenue Bond Anticipation Notes, Series 2007 (Public Facilities Development Program) in anticipation of the issuance of not-to-exceed \$170,000,000 Public Improvement Revenue Bonds for the purpose of expediting the financing of the costs of acquisition, renovation, construction and equipping of Criminal Justice and Public Improvement Facilities and all other incidental costs. The Notes shall mature and be payable in full on October 1, 2008 and shall have a variable rate of interest. The interest rate on September 30, 2007 was 3.76%.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

15. LONG-TERM DEBT

Changes in Long-Term Liabilities - The following is a summary of changes in long-term liabilities for the year ended September 30, 2007 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	\$ 336,020,000	\$ -	\$ 22,505,000	\$ 313,515,000	\$ 23,105,000
Non-ad valorem revenue bonds	597,659,893	14,685,000	38,435,293	573,909,600	38,885,195
Face amount of bonds payable	933,679,893	14,685,000	60,940,293	887,424,600	61,990,195
Unamortized bond premiums	29,145,636	561,966	1,736,107	27,971,495	-
Unamortized loss on bond refinancing	(13,951,073)	-	(821,410)	(13,129,663)	-
Net bonds payable	948,874,456	15,246,966	61,854,990	902,266,432	61,990,195
Notes and loans payable	94,871,054	64,392,331	30,206,872	129,056,513	32,838,358
Arbitrage liability	617,942	3,791,116	2,886	4,406,172	1,405,850
Compensated absences	85,857,800	52,872,763	38,509,417	100,221,146	6,970,180
Capital leases	43,027	-	31,733	11,294	3,842
Insurance Claims Payable	84,957,004	76,711,510	71,054,614	90,613,900	33,967,777
Fire Rescue LT liability	7,861,269	296,060	-	8,157,329	489,440
Governmental activity long-term liabilities	<u>\$ 1,223,082,552</u>	<u>\$ 213,310,746</u>	<u>\$ 201,660,512</u>	<u>\$ 1,234,732,786</u>	<u>\$ 137,665,642</u>

Long-term liabilities other than debt (bonds, loans and leases) are liquidated by the governmental fund incurring the expense. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$509,969 of internal service funds loans payable are included in the above amounts.

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Revenue bonds	\$ 637,744,818	\$ -	\$ 46,500,000	\$ 591,244,818	\$ 50,840,000
Unamortized bond premiums	14,052,875	-	2,357,155	11,695,720	-
Unamortized loss on bond refinancing	(16,163,284)	-	(4,428,379)	(11,734,905)	-
Net bonds payable	635,634,409	-	44,428,776	591,205,633	50,840,000
Loans payable	7,654,298	-	7,404,298	250,000	-
Accrued interest on notes and capital appreciation bonds	26,543,122	4,988,128	1,633,751	29,897,499	-
Accrued landfill costs	23,218,758	3,014,296	2,853,990	23,379,064	454,574
Compensated absences	6,981,354	1,250,474	624,617	7,607,211	687,481
Business-type activities long-term liabilities	<u>\$ 700,031,941</u>	<u>\$ 9,252,898</u>	<u>\$ 56,945,432</u>	<u>\$ 652,339,407</u>	<u>\$ 51,982,055</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Governmental Activities General Long-Term Debt

General long-term debt, including current maturities, at September 30, 2007 consisted of the following:

\$57,440,000 General Obligation Refunding Bonds, Series 1994B were issued to pay the cost of refunding all or a portion of the County's General Obligation Bonds, Series 1970, Series 1978, Series 1988 and Series 1991. The annual installments range from \$3,700,000 to \$6,945,000 through July 1, 2011; with interest rates from 4.250% to 6.750% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 18,660,000

\$45,625,000 General Obligation Refunding Bonds, Series 1998 were issued to pay the cost of refunding a portion of the County's General Obligation Bonds, Series 1994 and Series 1991. The annual installments range from \$2,885,000 to \$4,030,000 through December 1, 2014; with interest rates from 4.200% to 5.500% payable semi-annually on June 1 and December 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 27,200,000

\$25,000,000 General Obligation Bonds (Recreational and Cultural Facilities Program), Series 1999A were issued to pay the cost of acquisition, construction and other capital improvements to certain recreational and cultural facilities within the County. The annual installments range from \$1,075,000 to \$1,135,000 through August 1, 2009; with an interest rate of 6.000% 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. The County advance refunded \$15,520,000 of this issue on May 11, 2005. \$ 2,210,000

\$30,500,000 General Obligation Bonds (Library District Improvement Project), Series 2003 were issued to pay the cost of the land acquisition, design, engineering and constructing of new library facilities and the renovation and rehabilitation of existing library facilities within the County. The annual installments range from \$1,195,000 to \$2,205,000 through July 1, 2023; with interest rates from 2.750% to 5.250% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues. \$ 25,835,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$25,000,000 General Obligation Bonds (Recreational and Cultural Facilities), Series 2003 were issued to pay the costs of acquiring, constructing, and improving certain recreational and cultural facilities located within the County including cultural facilities owned by non-profit corporations with 501(c)(3) status under the Internal Revenue Code, 1986. The annual installments range from \$1,010,000 to \$1,780,000 through July 1, 2023; with interest rates from 2.250% to 5.000% payable semi-annually on January 1 and July 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.

\$ 21,215,000

\$16,025,000 General Obligation Refunding Bonds (Recreational and Cultural Facilities Program), Series 2005A were issued for paying and defeasing the County's outstanding General Obligation Bonds (Recreational and Cultural Facilities Program), Series 1999A maturing on and after August 1, 2010. The annual installments range from \$55,000 to \$1,920,000 through August 1, 2019; with interest rates from 2.850% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.

\$ 15,915,000

\$25,000,000 General Obligation Bonds (Recreational and Cultural Facilities), Series 2005 were issued for financing certain recreational and cultural facilities within the County. The annual installments range from \$920,000 to \$1,860,000 through July 1, 2025; with interest rates from 2.800% 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.

\$ 23,320,000

\$22,335,000 General Obligation Bonds (Library District Improvements) 2006 were issued for financing additional library facilities and renovation of existing facilities within the County. The annual installments range from \$845,000 to \$1,665,000 through August 1, 2025; with interest rates from 3.300% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are general obligations of the County and are payable from ad valorem revenues.

\$ 21,520,000

\$50,000,000 General Obligation Bonds (Waterfront Access Projects) 2006 were issued for financing purchase of waterfront access within the County. The annual installments range from \$1,790,000 to \$3,570,000 through August 1, 2026; with interest rates from 3.350% 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.

\$ 48,270,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$115,825,000 Taxable General Obligation Refunding Bonds 2006 were issued for paying and defeasing the County's outstanding General Obligation Bonds (Land Acquisition Program), Series 1999B and paying and defeasing the County's outstanding General Obligation Bonds (Land Acquisition Program), Series 2001A. The annual installments range from \$6,125,000 to \$11,355,000 through June 1, 2020; with interest rates from 5.634% 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.

\$ 109,370,000

Total General Obligation Bonds

\$ 313,515,000

Non-Ad Valorem Revenue Bonds

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

\$ 37,915,000

\$22,245,000 Administrative Complex Revenue Refunding Bonds, Series 1993 were issued to refund the Palm Beach County Public Building Corporation, Inc. Revenue Refunding Bonds, Series 1986. The annual installments range from \$1,550,000 to \$1,865,000 through June 1, 2011; with an interest rate of 5.250% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 6,760,000

\$117,485,000 Criminal Justice Facilities Revenue Refunding Bonds, Series 1993 were issued to pay the cost of advance refunding a portion of the Criminal Justice Facilities Revenue Bonds, Series 1990. The annual installments range from \$11,425,000 to \$13,365,000 through June 1, 2011; with an interest rate of 5.375% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 49,510,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$30,730,000 Beach Acquisition Revenue Refunding Bonds, Series 1993 were issued to pay the cost to advance refund and defease the County's Beach Acquisition Bonds, Series 1986. The remaining annual installment is \$2,850,000 due November 1, 2007; with an interest rate of 5.250% payable semi-annually on May 1 and November 1. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 2,850,000

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

\$ 32,655,000

\$22,425,000 Revenue Improvement Bonds, Series 1997 were issued to pay the cost of expanding the North County Courthouse and the construction of a light industrial maintenance facility for the Sheriff's vehicles. The remaining annual installment is \$1,050,000 due December 1, 2007; with an interest rate of 4.300% payable December 1, 2007. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. The County advance refunded \$13,595,000 on July 7, 2005. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 1,050,000

\$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 \$1,495,000 to \$2,015,000 through June 1, 2015; with interest rates from 3.375% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues.

\$ 13,810,000

\$6,525,000 Public Improvement Recreation Facilities Revenue Refunding Bonds, Series 2003 were issued to pay the cost of refunding all of the County's outstanding Public Improvement Recreation Facilities Revenue Bonds, Series 1994. The annual installments range from \$560,000 to \$685,000 through July 1, 2014; with interest rates from 2.500% 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.

\$ 4,325,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$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 \$4,295,000 to \$6,690,000 through August 1, 2023; with interest rates from 2.000% to 5.000% payable semi-annually on February 1 and August 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 82,040,000

\$81,340,000 Public Improvement Revenue Refunding Bonds (Convention Center Project), Series 2004 were issued to finance the costs of advance refunding the County's Public Improvement Revenue Bonds, Series 2001 (Convention Center Bonds). The annual installments range from \$1,570,000 to \$5,240,000 through November 1, 2030; with interest rates from 2.000% 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. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy. \$ 80,905,000

\$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 \$1,510,000 to \$2,715,000 through November 1, 2024; with interest rates from 2.000% to 4.375% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy. \$ 35,975,000

\$24,427,515 Taxable Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2004B were issued to pay the outstanding principal and interest on the County's Taxable Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project), Series 2004C. The annual installments range from \$2,442,751 to \$2,442,752 through November 1, 2014; with a variable rate of interest in effect of 5.228% 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. \$ 19,542,011

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$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 \$1,430,000 to \$2,000,000 through November 1, 2016; with interest rates from 3.000% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 16,860,000

\$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 \$25,000 to \$1,605,000 through December 1, 2017; with interest rates from 3.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 13,385,000

\$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 Center Parking Facilities, Series 1995 maturing on and after November 1, 2006. The annual installments range from \$845,000 to \$1,120,000 through November 1, 2015; with interest rates from 3.000% to 5.000% payable semi-annually on May 1 and November 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 8,700,000

\$133,935,000 Public Improvement Revenue Bonds (Biomedical Research Park Project), Series 2005A were issued to pay the cost of funding a grant to The Scripps Research Institute to enable Scripps to pay a portion of the cost of acquiring, constructing, improving and equipping the "Permanent Facilities" and paying the outstanding principal and interest due on the County's \$20,000,000 Public Improvement Revenue Bond Anticipation Notes, Series 2004. The annual installments range from \$4,620,000 to \$10,190,000 through June 1, 2025; with interest rates of 3.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy. \$ 125,345,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$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 \$1,445,000 to \$2,090,000 through December 1, 2016; with interest rates of 3.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 17,350,000

\$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 \$1,297,443 to \$1,641,680 through January 1, 2014; with a variable rate of interest in effect of 4.774% 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. \$ 10,247,589

\$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 \$475,000 to \$1,085,000 through December 1, 2026; with interest rates of 4.000% to 5.000% payable semi-annually on June 1 and December 1 of each year. The bonds are not general obligations of the County and are payable from non-ad valorem revenues. \$ 14,685,000

Total Non-Ad Valorem Revenue Bonds \$ 573,909,600

Face Amount of Bonds Payable	\$ 887,424,600
Unamortized bond premiums	\$ 27,971,495
Unamortized loss on bond refinancing	\$ (13,129,663)
Net General Obligation and Non-Ad Valorem Revenue Bonds	<u>\$ 902,266,432</u>

Notes and Other Loans Payable

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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$50,875,000 - In 1987, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$1,430,000 to \$1,435,000 through July 1, 2016; with a variable interest rate in effect of 3.780% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 12,875,000

\$20,280,000 - In 2000, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$890,000 to \$1,465,000 through August 1, 2020; with a variable interest rate in effect of 3.660% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 15,005,000

\$14,784,000 - In 2002, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in a remaining annual installment of \$2,376,000 on August 15, 2008; with a variable interest rate in effect of 3.660% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 2,376,000

\$12,000,000 - In 2004, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments of \$2,000,000 through December 1, 2009; with a variable interest rate in effect of 3.780% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 6,000,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$5,600,000 - In 2004, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in a remaining annual installment of \$2,547,626 on December 1, 2008; with a variable interest rate in effect of 3.780% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 2,547,626

\$27,000,000 - In 2006, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$899,000 to \$1,986,000 through November 1, 2025; with a variable interest rate in effect of 3.620% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 26,139,000

\$6,125,000 - In 2006, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$306,000 to \$307,000 through April 1, 2026; with a variable interest rate in effect of 3.620% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 5,819,000

\$7,500,000 - In 2006, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$244,000 to \$594,000 through November 1, 2025; with a variable interest rate in effect of 3.620% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 7,500,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$8,160,000 - In 2006, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$378,000 to \$749,000 through November 1, 2021; with a variable interest rate in effect of 3.620% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 8,160,000

\$7,965,000 - In 2006, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$251,000 to \$314,000 through November 1, 2008; with a variable interest rate in effect of 3.620% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 565,000

\$4,838,000 - In 2007, Palm Beach County executed a loan agreement with the Sunshine State Governmental Financing Commission, due in annual installments ranging from \$163,000 to \$373,000 through November 1, 2026; with a variable interest rate in effect of 3.620% per annum payable monthly on the 15th of each month. This rate is determined based upon the County's Pro Rata share of interest paid on the bonds issued by the Sunshine State Governmental Financing Commission to fund the financing program for the immediately preceding loan payment period. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 4,838,000

\$1,660,000 - HUD Section 108 Loan #1, 2004, payable to the Secretary of Housing and Urban Development due in annual installments ranging from \$87,000 to \$94,000 through August 1, 2023; with interest rates of 4.000% to 5.970% payable semi-annually on February 1 and August 1 of each year. The loan is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 1,399,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$16,322,600 Public Improvement Revenue Bond Anticipation Notes, Series 2006 (Biomedical Research Park Project) was issued on November 22, 2006 to provide interim financing for payment of the cost of certain lands, together with related mineral rights, comprising a portion of what is known as the “Briger Tract” to be used for permanent laboratory facilities and office space for the Scripps Biomedical Research Institute and for payment of the cost of issuance of the Notes. The principal and interest are due on December 30, 2007; with a variable rate of interest in effect of 4.59% which is calculated on a daily basis. The note is not a general obligation of the County and is payable from non-ad valorem revenues.

This BAN was refunded on December 19, 2007 and is therefore presented as a long term note payable as of September 30, 2007. Palm Beach County issued \$98,080,000 Public Improvement Revenue Bonds, Series 2007C (Biomedical Research Park Project) maturing on November 1, 2027 for the purpose of redeeming the County’s \$16,322,600 Public Improvement Revenue Bond Anticipation Notes, Series 2006 (Biomedical Research Park Project) and funding a grant to The Scripps Research Institute, which will be applied to pay the costs of acquiring, constructing, improving and equipping the permanent facilities of the Biomedical Research Park. Interest is paid semi-annually at rates ranging from 4% to 5% and principal is paid annually beginning November 1, 2008.

\$ 16,322,600

\$6,976,660 Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project) Series 2006A was issued to pay the cost of infrastructure improvements to certain lands. The principal and interest are due on December 14, 2007; with a variable rate of interest in effect of 3.787% which is calculated on a daily basis. The note is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 6,976,660

\$479,766 Taxable Public Improvement Revenue Note (Biomedical Research Park Infrastructure Project) Series 2006B was issued to pay the cost of infrastructure improvements to certain lands. The principal and interest are due on December 14, 2007; with a variable rate of interest in effect of 5.959% which is calculated on a daily basis. The note is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 479,766

\$11,543,892 Taxable Public Improvement Revenue Bond Anticipation Note (Convention Center Hotel Project) Series 2007 was issued to pay the cost of acquiring the convention center hotel site and initial design expenses. Interest is payable semiannually on May 1 and November 1 with the entire principal due on May 1, 2010; at a variable rate of interest in effect of 5.803% which is calculated on a daily basis. The note is not a general obligation of the County and is payable from non-ad valorem revenues.

\$ 11,543,892

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$ 606,412 - IBM Mainframe IPA Systems Equipment Loan, 2007. The Information Systems Services Department agreed to an installment purchase agreement with IBM for data processing software systems equipment with maintenance and services. The terms of the installment purchase are quarterly principal and interest payments at a rate of 3.746% for the Equipment, 3.553% for the Software and 5.110% for Services through January 1, 2010. The installment purchase is not a general obligation of the County and is payable from non-ad valorem revenues. \$ 509,969

Total Notes and Other Loans Payable \$ 129,056,513

Arbitrage Liability

Certain County debt obligations are subject to Section 148 of the Internal Revenue Code which requires that interest earned on proceeds from tax-exempt debt be rebated to the federal government to the extent that those earnings exceed the interest cost of the related tax-exempt debt. The arbitrage rebate must be calculated and paid to the federal government every five years from the date of issue until the debt matures. The County employs a consultant to make computations on an annual basis. However, since the rebate is cumulative (excess earnings in one year can be offset with deficit earnings in another year), the annually computed estimate may change significantly (increase or decrease) before the actual due date. \$ 4,406,172

Compensated absences

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

County Funds:

General Fund	\$ 15,459,373
Special Revenue Funds	21,057,972
Capital Projects Fund	781,299

Constitutional Officers:

Sheriff	54,858,153
Clerk & Comptroller	5,036,432
Tax Collector	634,657
Property Appraiser	2,189,367
Supervisor of Elections	<u>203,893</u>

\$ 100,221,146

Capital leases 11,294

Insurance claims payable 90,613,900

Long-Term Disability – Fire Rescue 8,157,329

Total Governmental Activities General Long-Term Debt including current portion \$1,234,732,786

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Business-type Activities Long-Term Debt

Business-type long-term debt, including current portion, at September 30, 2007 consisted of the following:

Revenue Bonds

\$18,645,000 Water and Sewer Revenue Bonds, Series 1985 were issued to pay the cost of refunding the County's presently outstanding Water and Sewer Revenue Bond Anticipation Notes, Series 1984. The annual installments range from \$1,200,000 to \$1,800,000 through October 1, 2011; with interest based upon rates calculated on a daily basis, with the effective interest of 4.050% but not to exceed 15.000%, payable monthly on the fifth working day of each month. The County has the option to change to a variable, adjustable or fixed interest calculation method as it deems appropriate. 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 pledge of the connection charges of the system. \$ 7,545,000

\$30,000,000 Water and Wastewater Revenue Bonds, Series 1998 were issued to pay a portion of the costs of constructing certain additions and improvements to the County's water and wastewater facilities. The annual installments range from \$1,450,000 to \$1,715,000 through October 1, 2011; with interest rates from 4.200% to 4.500% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Wastewater System and a first lien on and pledge of the connection charges of the system. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy. \$ 7,895,000

\$26,785,000 Water and Sewer Revenue Refunding Bonds, Series 2003 were issued to pay for refunding all of the County's outstanding Water and Sewer Revenue Bonds, Series 1993A and Water and Sewer Revenue Refunding Bonds, Series 1993B maturing on and after October 1, 2003. The annual installments range from \$830,000 to \$4,120,000 through October 1, 2013; with interest rates from 2.000% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system. \$ 15,910,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

\$ 19,075,000

\$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 \$2,035,000 to \$7,760,000 through October 1, 2036; with interest rates from 3.500% to 5.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Wastewater System and a first lien on and pledge of the connection charges of the system.

\$ 125,850,000

\$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 \$40,000 to \$2,245,000 through October 1, 2017; with interest rates from 3.500% to 4.250% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien on and pledge of the net revenues of the County's Water and Sewer system and a first lien on and pledge of the connection charges of the system. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 12,450,000

\$83,965,000 Airport System Revenue Refunding Bonds, Series 2001 were issued to refund the Airport System Revenue Bonds, Series 1991 maturing October 1, 2004 and October 1, 2010. The annual installments range from \$6,790,000 to \$7,975,000 through October 1, 2010; with interest rates from 4.000% to 5.500% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are payable solely from and secured from the net revenues available for Debt Service and the funds and accounts pledged under the bond resolution. Payment of principal and interest on the bonds is guaranteed under a noncancellable insurance policy.

\$ 29,525,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

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

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

\$266,590,000 Solid Waste Authority Refunding Revenue Bonds, Series 1997A were issued to refund the Authority's Adjustable/Fixed Rate Revenue Bonds, Series 1984 maturing on and after July 1, 1998. The annual installments range from \$29,630,000 to \$71,430,000 through July 1, 2010; with interest of 6.000% payable semi-annually on April 1 and October 1 of each year. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. Payment of principal and interest is guaranteed under a noncancellable insurance policy. \$ 132,465,000

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

\$36,405,432 Solid Waste Authority Refunding Revenue Bonds, Series 1998A were issued to refund certain of the Authority's Refunding Bonds, Series 1989. \$2,165,000 are Current Interest Series 1998A Bonds due in annual installments ranging from \$1,025,000 to \$1,070,000 through October 1, 2008; with interest rates from 4.250% to 4.300% payable semi-annually on April 1 and October 1 of each year. \$34,240,432 are Capital Appreciation series 1998A Bonds due in annual installments of \$2,550,830 to \$20,209,629 from October 1, 2011 through October 1, 2013; and shall accrue interest from their delivery date to appreciate at the approximate yields from 4.900% to 5.050%. The bonds are not general obligations of the County and are secured by a first lien upon and pledge of the net revenues of the Authority's solid waste disposal and resource recovery system. Payment of principal and interest is guaranteed under a noncancellable insurance policy.

\$ 36,335,432

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

\$ 38,734,386

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

\$ 34,115,000

Total face value of revenue bonds payable	\$ 591,244,818
Unamortized bond premiums	\$ 11,695,720
Unamortized loss on bond refinancing	<u>\$ (11,734,905)</u>
Net Revenue Bonds, Business-Type Activities	<u>\$ 591,205,633</u>

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Loans Payable

On March 15, 2006, the Department of Airports entered into an \$8,000,000 line of credit agreement with a financial institution to finance costs incurred in connection with the acquisitions, constructions, installation and equipping of certain facilities and improvements relating to the Airport System. Principal borrowed on the line of credit is due at maturity on June 30, 2011. Interest on the principal balance accrues at a rate equivalent to 77% of the one month LIBOR rate plus 46 basis points (approximately 4.860% at September 30, 2007) and is paid quarterly. Borrowings on the line of credit are payable from and secured by a pledge of the net revenues of the airport system, subordinate to the lien and pledge of net revenues for repayment of the Airport bonds.

	\$ 250,000
Total loans payable	\$ 250,000
Accrued interest payable on notes and capital appreciation bonds	\$ 29,897,499
Accrued landfill costs	\$ 23,379,064

Compensated absences

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

Business-Type Fund	
Water Utilities Department	\$ 2,751,207
Department of Airports	1,129,626
Solid Waste Authority	3,726,378
	\$ 7,607,211
Total Business-Type Activities Long-Term Debt, including current portion	\$ 652,339,407

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

Governmental Activities General Long-Term Debt

Year Ending September 30	General Obligation Bonds		Non-Ad Valorem Revenue Bonds		Loans Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
	2008	\$ 23,105,000	\$ 15,402,985	\$ 38,885,195	\$ 27,461,814	\$ 32,838,358	
2009	20,260,000	14,394,298	37,297,093	25,901,702	9,572,451	3,581,940	111,007,484
2010	21,185,000	13,468,818	38,671,067	24,381,257	18,276,704	3,080,869	119,063,715
2011	22,240,000	12,416,424	40,347,198	22,619,624	4,754,000	2,440,187	104,817,433
2012	18,965,000	11,269,506	42,270,576	20,721,861	4,888,000	2,261,563	100,376,506
2013-2017	101,240,000	41,560,386	184,143,471	70,563,697	25,250,000	8,448,196	431,205,750
2018-2022	79,045,000	16,218,100	103,030,000	36,218,050	20,793,000	4,021,237	259,325,387
2023-2027	27,475,000	2,647,332	69,455,000	12,050,622	12,684,000	839,986	125,151,940
2028-2032	-	-	19,810,000	2,028,500	-	-	21,838,500
Total	\$ 313,515,000	\$ 127,377,849	\$ 573,909,600	\$ 241,947,127	\$ 129,056,513	\$ 29,682,746	\$ 1,415,488,835

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

Business-type Activities Long-Term Debt

Year Ending September 30	Revenue Bonds		Loan and Note Payable		Total
	Principal	Interest	Principal	Interest	
2008	\$ 50,840,000	\$ 25,486,945	\$ -	\$ 12,161	\$ 76,339,106
2009	53,815,000	22,705,775	-	12,161	76,532,936
2010	93,700,000	20,339,209	-	12,161	114,051,370
2011	18,430,000	15,592,825	250,000	10,134	34,282,959
2012	53,605,830	16,171,451	-	-	69,777,281
2013-2017	136,103,988	120,752,495	-	-	256,856,483
2018-2022	34,000,000	41,869,158	-	-	75,869,158
2023-2027	38,610,000	32,871,400	-	-	71,481,400
2028-2032	49,275,000	21,937,201	-	-	71,212,201
2033-2037	62,865,000	8,020,391	-	-	70,885,391
Total	\$ 591,244,818	\$ 325,746,850	\$ 250,000	\$ 46,617	\$ 917,288,285

COMPONENT UNITS:

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 155,730	\$ 55,964	\$ 2,331	\$ 209,363	\$ 1,675

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 2,390,000	\$ -	\$ 160,000	\$ 2,230,000	\$ 160,000
Loans payable	2,778,316	-	229,244	2,549,072	238,595
Mortgage payable	208,310	-	9,174	199,136	9,837
Mortgage payable	-	465,000	-	465,000	465,000
Mortgage payable	-	260,000	-	260,000	-
Total	\$ 5,376,626	\$ 725,000	\$ 398,418	\$ 5,703,208	\$ 873,432

Bond obligation - Redevelopment Revenue Refunding and Improvement Bonds, Series 1999 authorized issue dated March 1, 1999, was \$3,380,000. Bonds outstanding at September 30, 2007 were \$2,230,000 and interest rates range from 3.1% to 4.8%.

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

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

Mortgage payable – The mortgage is payable in monthly installment payments of \$2,519, interest only, with a maturity of December 28, 2007 and interest rate of 6.5%. The mortgage is secured by the building.

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

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

Year Ending September 30	Bond Obligation		
	Principal	Interest	Total
2008	\$ 160,000	\$ 96,830	\$ 256,830
2009	170,000	89,858	259,858
2010	175,000	82,570	257,570
2011	185,000	74,917	259,917
2012	190,000	66,760	256,760
2013-2017	1,100,000	193,010	1,293,010
2018	250,000	6,000	256,000
Total	\$ 2,230,000	\$ 609,945	\$ 2,839,945

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Year Ending September 30	Loan Payable		
	Principal	Interest	Total
2008	\$ 238,595	\$ 107,550	\$ 346,145
2009	248,929	97,216	346,145
2010	259,403	86,742	346,145
2011	270,317	75,828	346,145
2012	281,515	64,630	346,145
2013-2016	1,250,313	134,267	1,384,580
Total	\$ 2,549,072	\$ 566,233	\$ 3,115,305

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2008	\$ 9,837	\$ 13,628	\$ 23,465
2009	10,548	10,917	21,465
2010	178,751	11,172	189,923
Total	\$ 199,136	\$ 35,717	\$ 234,853

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2008	\$ 465,000	\$ 7,556	\$ 472,556
Total	\$ 465,000	\$ 7,556	\$ 472,556

Year Ending September 30	Mortgage Payable		
	Principal	Interest	Total
2008	\$ -	\$ 19,500	\$ 19,500
2009	-	19,500	19,500
2010	260,000	19,500	279,500
Total	\$ 260,000	\$ 58,500	\$ 318,500

CONDUIT DEBT

Primary Government: The County issues Industrial Development Bonds to provide financial assistance to not-for-profit and private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. During the

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

current reporting period, five series of Industrial Development Bonds were issued with an aggregate par value of \$81,835,000. As of September 30, 2007, there were thirty-four series of Industrial Development Bonds outstanding, with an estimated aggregate principal amount payable of \$475,925,000.

Component Unit: The Housing Finance Authority of Palm Beach County (HFA) is authorized to issue bonds to fulfill their corporate purpose. The HFA and the County are not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. No bonds were issued in the current period. As of September 30, 2007, the HFA has \$259 million of bonds outstanding that were originally issued in the aggregate principal amount of \$353 million.

16. CONTINGENCIES

Litigation

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

State and Federal Grants

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

Interlocal Agreement

On September 22, 1992 the Board of County Commissioners approved an interlocal agreement between the County and the Westgate/Belvedere Homes Community Redevelopment Agency (Agency), whereby the County has agreed to fund any deficiency in the reserve fund of the Agency's Redevelopment Revenue Bonds. The Agency is required to notify the County on or before May 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

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

deficiency amount, if any, as of such date. At present, the County has not been made aware of any deficiency amount.

Solid Waste Authority (SWA)

Environmental Liabilities: SWA, in cooperation with other state and local regulatory agencies, maintains an extensive monitoring program for potential environmental contaminants at each of its sites and facilities. These monitoring programs have not identified any contaminants caused by landfill leachate or other operations of SWA. In the event that any environmental contaminants are identified, SWA may be financially responsible for the environmental assessment and cleanup costs, as well as potential fines imposed by governmental regulatory agencies.

17. SUBSEQUENT EVENTS

At September 30, 2007, the primary government and its discretely presented component units were invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool the following amounts:

<i>Blended Entities of Primary Government</i>	<i>Balance</i>
Solid Waste Authority	\$ 196,673,598
County Internal Investment Pool	67,451,281
Clerk & Comptroller	2,691,438
Tax Collector	2,506,009
Property Appraiser	2,382,985
Total Primary Government	\$ 271,705,311

<i>Discretely Presented Component Units</i>	<i>Balance</i>
Housing Finance Authority of Palm Beach County (HFA)	\$7,520,868
Westgate/Belvedere Homes Community Redevelopment Agency (CRA)	\$390,108

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable. Subsequent to year-end, the primary government and discretely presented component units had the following balances as of December 4, 2007, the date Pool B was created:

<i>Blended Entities of Primary Government</i>	Balance in Pool A	Balance in Pool B
Solid Waste Authority	\$ 44,357,830	\$ 7,452,594
County Internal Investment Pool	-	-
Clerk & Comptroller	-	-
Tax Collector	3,877,719	651,499
Property Appraiser	1,641,511	275,792
	\$ 49,877,060	\$ 8,379,885

<i>Discretely Presented Component Units</i>	Balance in Pool A	Balance in Pool B
Housing Finance Authority of Palm Beach County (HFA)	\$48,601	\$8,165
Westgate/Belvedere Homes Community Redevelopment Agency (CRA)	\$335,586	\$56,382

Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the Florida State Board of Administration. www.sbafla.com.

Debt Issuance:

November 14, 2007 - Palm Beach County issued \$2,582,647 Public Improvement Revenue Refunding Bonds, Series 2007A (Biomedical Research Park Project) for the purpose of refinancing the tax-exempt portion of the outstanding principal and accrued interest of the \$6,976,660 Public Improvement Revenue Note, Series 2006A. Interest is paid semi-annually at a fixed rate of 4.01% and principal paid annually beginning November 1, 2008.

November 14, 2007 - Palm Beach County issued \$5,180,949 Taxable Public Improvement Revenue Refunding Bonds, Series 2007B (Biomedical Research Park Project) for the purpose of refinancing the taxable portion of the outstanding principal and accrued interest of the \$6,976,660 Public Improvement Revenue Note, Series 2006A and completely refinancing the outstanding principal and accrued interest of the \$479,766 Taxable Public Improvement Revenue Note, Series 2006B. Interest is paid semi-annually at a fixed rate of 5.56% and principal paid annually beginning November 1, 2008.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

December 19, 2007 - Palm Beach County issued \$98,080,000 Public Improvement Revenue Bonds, Series 2007C (Biomedical Research Park Project) maturing on November 1, 2027 for the purpose of redeeming the County's \$16,322,600 Public Improvement Revenue Bond Anticipation Notes, Series 2006 (Biomedical Research Park Project) and funding a grant to The Scripps Research Institute, which will be applied to pay the costs of acquiring, constructing, improving and equipping the permanent facilities of the Biomedical Research Park. Interest is paid semi-annually at rates ranging from 4% to 5% and principal is paid annually beginning November 1, 2008.

January 24, 2008 - Palm Beach County issued \$35,075,000 Public Improvement Revenue Bonds, Series 2008 (Law Enforcement Information Technology Project) maturing on February 1, 2014 for the purpose of funding the upgrade and installation of information technology systems within the County's law enforcement offices. Interest is paid semi-annually at a fixed rate of 3.038% and principal is paid annually beginning February 1, 2009.

Water Utilities Department - On March 11, 2008, the BOCC adopted a Resolution approving an agreement with the Indian Trail Improvement District (District) to acquire the District's utility system and settle all pending litigation. The \$8.9 million total cost of the agreement includes: 1) reimbursement of \$6.2 million to the District for utility assets, current and future customers, stabilization of certain roadways, and to settle on-going litigation; 2) \$2.2 million payment to the City of West Palm Beach to terminate an existing bulk service agreement between the District and the City of West Palm Beach; and 3) \$500,000 to be allocated by the County to provide financial support of up to 10% of the total costs for future assessment projects within the District.

Solid Waste Authority - On December 4, 2007 the Solid Waste Authority (the "Authority") entered into an interlocal agreement with Palm Beach County, Florida, for the joint acquisition of a parcel of property in Jupiter, Florida and the development of a water resource and environmental restoration project on the property. The Authority will contribute \$5.5 million for the acquisition and will receive 28 percent interest in the property and the right to excavate approximately 2.2 million cubic yards of fill from the property that will be used for the Authority's landfill operations. The Authority will pay its share of the acquisition cost at closing on the property, which is expected to take place during 2008.

Solid Waste Authority - On January 9, 2008 the Authority entered into an \$80 million non-revolving line of credit agreement (the "Series 2008 Note") with a financial institution to finance costs of future capital acquisitions and construction projects. The Authority drew \$80 million on the Series 2008 Note on January 9, 2008. Principal on the Series 2008 Note is due in equal annual installments of \$4 million commencing on October 1, 2008 through maturity on October 1, 2027. Interest on the outstanding principal balance of the Series 2008 Note accrues at a rate of 65% of the one month LIBOR rates plus 82 basis points (approximately 3.7% at the date of the Note) and is due April 1 and October 1 each year. Borrowings on the Note are payable from and secured by a pledge of the net revenues of the solid waste system, subordinate to the lien and pledge of net revenues for repayment of the Authority's bonds.

The Required Supplementary Information subsection includes the budgetary comparison schedule for Palm Beach County's major funds; the General Fund, the Fire Rescue Special Revenue Fund, and the Sheriff Special Revenue Fund. It also includes the schedules of funding progress related to the Palm Tran and Lantana Firefighter's Pension Plans.



PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the fiscal year ended September 30, 2007
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 777,226,243	\$ 747,621,243	\$ 718,007,677	\$ (29,613,566)
Licenses and permits	4,648,000	4,648,000	4,134,899	(513,101)
Intergovernmental	31,947,693	32,594,382	35,150,477	2,556,095
Charges for services	49,177,043	61,268,283	62,142,840	874,557
Fines and forfeitures	1,750,808	1,750,808	1,794,967	44,159
Investment income	8,467,520	8,467,520	19,502,991	11,035,471
Miscellaneous	4,907,910	4,977,460	10,153,418	5,175,958
Less 5% anticipated revenues	(43,949,290)	(42,469,040)	-	42,469,040
Total revenues	834,175,927	818,858,656	850,887,269	32,028,613
Expenditures:				
Current:				
General government	272,781,122	306,919,978	119,714,179	187,205,799
Public safety	33,869,254	35,605,001	33,678,466	1,926,535
Physical environment	14,367,873	14,623,425	13,288,662	1,334,763
Transportation	7,136,067	7,042,442	6,843,775	198,667
Economic environment	31,105,321	30,806,321	29,864,005	942,316
Human services	54,290,639	55,185,444	53,049,585	2,135,859
Culture and recreation	63,845,245	63,353,740	60,614,252	2,739,488
Capital outlay	2,730,452	5,273,819	2,382,315	2,891,504
Total expenditures	480,125,973	518,810,170	319,435,239	199,374,931
Excess of revenues over expenditures	354,049,954	300,048,486	531,452,030	231,403,544
Other financing sources (uses):				
Transfers in	9,823,657	47,625,800	52,680,069	5,054,269
Transfers out	(551,128,560)	(566,476,761)	(562,169,769)	4,306,992
Total other financing sources (uses)	(541,304,903)	(518,850,961)	(509,489,700)	9,361,261
Net change in fund balances	(187,254,949)	(218,802,475)	21,962,330	240,764,805
Fund balances, October 1, 2006	187,254,949	218,802,475	221,508,148	2,705,673
Increase in reserves, inventory	-	-	(633,661)	(633,661)
Fund balances, September 30, 2007	\$ -	\$ -	\$ 242,836,817	\$ 242,836,817

NOTE: The effective legal level of budget control is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at the Office of Financial Management and Budget. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Rescue Special Revenue Fund
For the fiscal year ended September 30, 2007
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 203,771,262	\$ 203,771,262	\$ 196,148,581	\$ (7,622,681)
Special assessments	314,350	314,350	303,603	(10,747)
Licenses and permits	2,700	2,700	3,548	848
Intergovernmental	179,103	493,933	1,125,167	631,234
Charges for services	26,969,546	26,969,546	26,355,813	(613,733)
Investment income	2,018,702	2,018,702	6,341,058	4,322,356
Miscellaneous	101,850	101,850	884,834	782,984
Less 5% anticipated revenues	(11,349,763)	(11,349,763)	-	11,349,763
Total revenues	222,007,750	222,322,580	231,162,604	8,840,024
Expenditures:				
Current:				
Public safety	245,648,467	257,405,524	192,205,134	65,200,390
Economic environment	920,000	920,000	901,248	18,752
Capital outlay	8,045,836	9,852,305	5,848,026	4,004,279
Total expenditures	254,614,303	268,177,829	198,954,408	69,223,421
Excess of revenues over (under) expenditures	(32,606,553)	(45,855,249)	32,208,196	78,063,445
Other financing sources (uses):				
Transfers in	10,967,477	11,112,627	7,505,028	(3,607,599)
Transfers out	(19,980,000)	(21,870,030)	(21,870,030)	-
Total other financing sources (uses)	(9,012,523)	(10,757,403)	(14,365,002)	(3,607,599)
Net change in fund balances	(41,619,076)	(56,612,652)	17,843,194	74,455,846
Fund balances, October 1, 2006	41,619,076	56,612,652	58,681,254	2,068,602
Increase in reserves, inventory	-	-	97,464	97,464
Fund balances, September 30, 2007	\$ -	\$ -	\$ 76,621,912	\$ 76,621,912

NOTE: The effective legal level of budget control is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at the Office of Financial Management and Budget. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Sheriff Special Revenue Fund
For the fiscal year ended September 30, 2007
(Required Supplementary Information)

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 1,582,020	\$ 1,582,020
Fines and forfeitures	-	-	1,329,137	1,329,137
Investment income	-	-	242,978	242,978
Miscellaneous	-	-	125,686	125,686
Total revenues	-	-	3,279,821	3,279,821
Expenditures:				
Current:				
General government	15,794,881	16,676,904	16,532,978	143,926
Public safety	342,840,036	350,643,178	341,165,174	9,478,004
Capital outlay	12,360,763	23,911,013	22,611,976	1,299,037
Debt service	-	24,000	23,880	120
Total expenditures	370,995,680	391,255,095	380,334,008	10,921,087
Excess of revenues over (under) expenditures	(370,995,680)	(391,255,095)	(377,054,187)	14,200,908
Other financing sources (uses):				
Transfers in	370,995,680	391,614,290	390,482,509	(1,131,781)
Transfers out	-	(359,195)	(10,648,639)	(10,289,444)
Total other financing sources (uses)	370,995,680	391,255,095	379,833,870	(11,421,225)
Net change in fund balances	-	-	2,779,683	2,779,683
Fund balances, October 1, 2006	-	-	2,102,837	2,102,837
Fund balances, September 30, 2007	\$ -	\$ -	\$ 4,882,520	\$ 4,882,520

NOTE: The effective legal level of budget control is maintained at the department or fund level. A separate detailed report providing this information is available for inspection at the Office of Financial Management and Budget. Annual budgets are legally adopted for all governmental and proprietary fund types. Budgetary comparisons presented herein are on a basis consistent with GAAP.

REQUIRED SUPPLEMENTARY INFORMATION

Palm Tran Pension Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/05	\$35,781,897	\$41,125,875	\$ 5,343,978	87.0%	\$17,938,780	29.8%
1/1/06	38,539,860	44,962,920	6,423,060	85.7%	18,954,945	33.9%
1/1/07	42,001,404	50,729,230	8,727,826	82.8%	20,148,949	43.3%

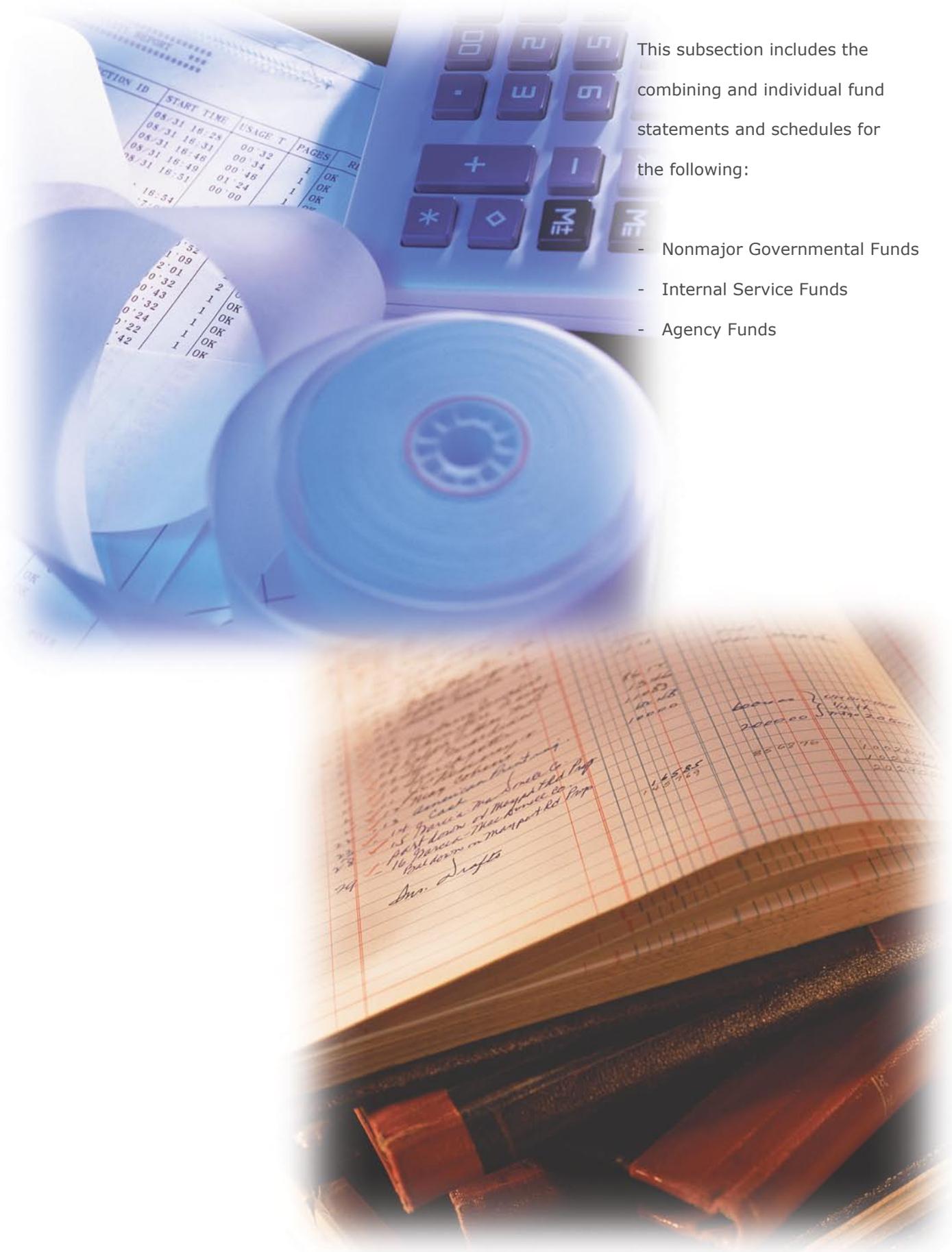
Lantana Firefighter's Pension Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
9/30/04	\$ 7,353,000	\$10,430,000	\$ 3,077,000	70.5%	\$ 2,324,000	132.4%
9/30/05	8,689,000	15,087,000	6,398,000	57.6%	2,559,000	250.1%
9/30/06	10,314,000	16,503,000	6,190,000	62.5%	2,579,000	240.0%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

- Nonmajor Governmental Funds
- Internal Service Funds
- Agency Funds



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Tourist Development - To account for tourist development taxes designated to promote tourism in Palm Beach County.

Law Enforcement Grants - To account for revenues to be used for law enforcement grants, including but not limited to the Local Law Enforcement Block Grants, "LLEBG".

County Transportation Trust - To account for ad-valorem taxes, gas taxes and other revenues designated for the construction and maintenance of County roads.

Municipal Service Taxing District - To account for revenues to be used in the unincorporated areas of the County for services rendered.

Library Taxing District - To account for ad-valorem taxes and governmental grant funds designated to operate and maintain the County's public library system.

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

Affordable Housing Trust Fund (SHIP)- To account for intergovernmental revenues and other revenues designated for providing standard, affordable housing for persons of low to moderate income.

Hurricane Housing Recovery Plan Fund - To account for intergovernmental revenues for the repair/replace/reconstruct/retrofit of single family units for extremely low, very low, and moderate income homeowners.

Palm Tran - To account for activities related to the operation of the County-owned public bus transportation system.

Other Special Revenue Fund - To account for local half-cent sales taxes and other revenues designated for various services provided by the County.

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

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

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

**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS CONTINUED**

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

DEBT SERVICE FUNDS

General Obligation Bonds - To account for the annual debt service requirements of all general obligation bonds.

Revenue Bonds - To account for the annual debt service requirements of non ad-valorem, non self-supporting revenue bonds.

Other Financing - To account for the annual debt service requirements of other financing arrangements.

CAPITAL PROJECTS FUNDS

Criminal Justice - To account for costs related to the design and construction of courthouses, jails and other physical facilities required for the courts, law enforcement and detention operations.

Environmental Lands - To account for costs related to the acquisition of environmentally sensitive ecological sites, and for the design and construction of beach improvements such as sand/beach renourishment or dune replacement projects.

Fire Rescue - To account for costs related to the design, acquisition and construction of fire stations, training and administrative facilities, and equipment acquisitions for new stations.

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

Parks and Recreation - To account for costs related to the design, acquisition and construction or expansion of beach, regional, district and community parks including active and passive recreational facilities and administrative facilities for park operations.

Street and Drainage - To account for costs related to the design and construction of neighborhood streets, replacing shellrock (dirt) roads and providing drainage associated with the streets. These improvements are primarily funded by assessments against the benefiting properties.



PALM BEACH COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007

	Tourist Development Special Revenue Fund	Law Enforcement Grants Special Revenue Fund	County Transportation Trust Special Revenue Fund	Municipal Service Taxing District Special Revenue Fund
ASSETS				
Cash and cash equivalents	\$ 26,279,095	\$ -	\$ 16,227,561	\$ 11,657,897
Accounts receivable, net	106,326	-	444	8,636
Due from other county funds	-	4,141,432	-	-
Due from other governments	-	261,450	451,500	2,299
Inventory	-	-	3,776,929	-
Other assets	-	-	-	-
Other receivable, noncurrent	4,600,000	-	-	-
Total assets	\$ 30,985,421	\$ 4,402,882	\$ 20,456,434	\$ 11,668,832
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 2,196,970	\$ -	\$ 1,327,984	\$ 447,616
Due to other county funds	2,535	1,631,961	705,719	295,055
Due to other governments	29,913	176,533	3,555	39
Due to individuals	-	-	-	-
Deferred and unearned revenue	4,000,000	65,310	-	-
Other liabilities	-	-	-	-
Matured principal and interest payable	-	-	-	-
Total liabilities	6,229,418	1,873,804	2,037,258	742,710
FUND BALANCE				
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for inventory	-	-	3,776,929	-
Unreserved, reported in:				
Special Revenue Funds	24,756,003	2,529,078	14,642,247	10,926,122
Capital Projects Funds	-	-	-	-
Total fund balance	24,756,003	2,529,078	18,419,176	10,926,122
Total liabilities and fund balance	\$ 30,985,421	\$ 4,402,882	\$ 20,456,434	\$ 11,668,832

Library Taxing District Special Revenue Fund	Community and Social Development Special Revenue Fund	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	Hurricane Housing Recovery Plan Fund Special Revenue Fund	Palm Tran Special Revenue Fund	Other Special Revenue Fund	Clerk & Comptroller Special Revenue Fund
\$ 16,723,172	\$ 2,250	\$ 13,013,527	\$ 2,590,775	\$ 1,462,165	\$ 76,203,329	\$ 31,596,396
2,621	638,562	27,362	-	33,076	3,097,085	195,254
744,691	11,392,154	3,096	-	-	717,899	755,432
-	13,908,988	-	-	12,995,716	7,949,532	83,123
-	-	-	-	1,681,282	52,833	-
113,542	-	-	-	-	5,850	131,016
-	-	-	-	-	-	-
\$ 17,584,026	\$ 25,941,954	\$ 13,043,985	\$ 2,590,775	\$ 16,172,239	\$ 88,026,528	\$ 32,761,221
\$ 1,560,951	\$ 3,114,827	\$ 38,531	\$ 29,005	\$ 7,172,925	\$ 1,527,477	\$ 6,257,738
131,293	11,673,652	3,966	652	393,428	16,394,940	3,973,101
3,295	2,151,694	-	-	522	4,506,253	1,790,292
-	75,740	-	-	-	-	-
44,871	7,504,381	-	-	396,000	644,528	-
-	-	-	16,011	-	-	938,424
-	-	-	-	-	-	-
1,740,410	24,520,294	42,497	45,668	7,962,875	23,073,198	12,959,555
-	-	-	-	-	-	-
-	-	-	-	1,681,282	52,833	-
15,843,616	1,421,660	13,001,488	2,545,107	6,528,082	64,900,497	19,801,666
-	-	-	-	-	-	-
15,843,616	1,421,660	13,001,488	2,545,107	8,209,364	64,953,330	19,801,666
\$ 17,584,026	\$ 25,941,954	\$ 13,043,985	\$ 2,590,775	\$ 16,172,239	\$ 88,026,528	\$ 32,761,221

PALM BEACH COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007

	Tax Collector Special Revenue Fund	Property Appraiser Special Revenue Fund	Supervisor of Elections Special Revenue Fund	Total Special Revenue Funds
ASSETS				
Cash and cash equivalents	\$ 49,609,161	\$ 3,580,481	\$ 1,047,222	\$ 249,993,031
Accounts receivable, net	205,990	-	-	4,315,356
Due from other county funds	-	-	-	17,754,704
Due from other governments	312	-	-	35,652,920
Inventory	-	-	-	5,511,044
Other assets	6,748	63,952	-	321,108
Other receivable, noncurrent	-	-	-	4,600,000
Total assets	\$ 49,822,211	\$ 3,644,433	\$ 1,047,222	\$ 318,148,163
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 686,502	\$ 1,172,209	\$ 149,959	\$ 25,682,694
Due to other county funds	42,021,274	2,185,531	684,792	80,097,899
Due to other governments	6,374,055	286,693	-	15,322,844
Due to individuals	-	-	-	75,740
Deferred and unearned revenue	740,380	-	212,471	13,607,941
Other liabilities	-	-	-	954,435
Matured principal and interest payable	-	-	-	-
Total liabilities	49,822,211	3,644,433	1,047,222	135,741,553
FUND BALANCE				
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for inventory	-	-	-	5,511,044
Unreserved, reported in:				
Special Revenue Funds	-	-	-	176,895,566
Capital Projects Funds	-	-	-	-
Total fund balance	-	-	-	182,406,610
Total liabilities and fund balance	\$ 49,822,211	\$ 3,644,433	\$ 1,047,222	\$ 318,148,163

General Obligation Bonds Debt Service	Revenue Bonds Debt Service	Other Financing Debt Service	Total Debt Service Funds	Criminal Justice Capital Projects	Environmental Lands Capital Projects	Fire Rescue Capital Projects
\$ 3,978,991	\$ 10,523,267	\$ 3,975,273	\$ 18,477,531	\$ 33,099,905	\$ 20,688,931	\$ 62,425,151
-	-	22,075	22,075	-	-	-
-	-	7,018	7,018	206,295	-	-
-	-	-	-	2,010	-	12,347
-	-	-	-	-	-	-
-	-	-	-	-	-	200
-	12,638,941	-	12,638,941	-	-	-
<u>\$ 3,978,991</u>	<u>\$ 23,162,208</u>	<u>\$ 4,004,366</u>	<u>\$ 31,145,565</u>	<u>\$ 33,308,210</u>	<u>\$ 20,688,931</u>	<u>\$ 62,437,698</u>
\$ -	\$ -	\$ 144,991	\$ 144,991	\$ 1,985,108	\$ 29,287	\$ 3,241,401
-	213,313	-	213,313	-	-	-
-	-	-	-	-	500	-
-	-	-	-	-	-	-
-	12,638,941	-	12,638,941	-	-	-
-	-	-	-	20,043,500	-	-
-	-	262,540	262,540	-	-	-
-	12,852,254	407,531	13,259,785	22,028,608	29,787	3,241,401
3,978,991	10,309,954	3,596,835	17,885,780	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	11,279,602	20,659,144	59,196,297
<u>3,978,991</u>	<u>10,309,954</u>	<u>3,596,835</u>	<u>17,885,780</u>	<u>11,279,602</u>	<u>20,659,144</u>	<u>59,196,297</u>
<u>\$ 3,978,991</u>	<u>\$ 23,162,208</u>	<u>\$ 4,004,366</u>	<u>\$ 31,145,565</u>	<u>\$ 33,308,210</u>	<u>\$ 20,688,931</u>	<u>\$ 62,437,698</u>

PALM BEACH COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007

	Libraries Capital Projects	Parks and Recreation Capital Projects	Street and Drainage Capital Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 79,563,785	\$ 117,426,213	\$ 12,681,695	\$ 325,885,680	\$ 594,356,242
Accounts receivable, net	39	715	4,851,300	4,852,054	9,189,485
Due from other county funds	-	-	4,715	211,010	17,972,732
Due from other governments	205,149	37,115	-	256,621	35,909,541
Inventory	-	-	-	-	5,511,044
Other assets	-	-	-	200	321,308
Other receivable, noncurrent	-	-	-	-	17,238,941
Total assets	\$ 79,768,973	\$ 117,464,043	\$ 17,537,710	\$ 331,205,565	\$ 680,499,293
LIABILITIES					
Vouchers payable and accrued liabilities	\$ 2,725,738	\$ 15,059,345	\$ 447,055	\$ 23,487,934	\$ 49,315,619
Due to other county funds	204	-	-	204	80,311,416
Due to other governments	-	670,866	96,375	767,741	16,090,585
Due to individuals	-	-	-	-	75,740
Deferred and unearned revenue	200,000	42,000	4,851,300	5,093,300	31,340,182
Other liabilities	-	-	-	20,043,500	20,997,935
Matured principal and interest payable	-	-	-	-	262,540
Total liabilities	2,925,942	15,772,211	5,394,730	49,392,679	198,394,017
FUND BALANCE					
Fund balances:					
Reserved for debt service	-	-	-	-	17,885,780
Reserved for inventory	-	-	-	-	5,511,044
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	176,895,566
Capital Projects Funds	76,843,031	101,691,832	12,142,980	281,812,886	281,812,886
Total fund balance	76,843,031	101,691,832	12,142,980	281,812,886	482,105,276
Total liabilities and fund balance	\$ 79,768,973	\$ 117,464,043	\$ 17,537,710	\$ 331,205,565	\$ 680,499,293



PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2007

	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)	\$ 26,818,069	\$ -	\$ 3,677	\$ -
Special assessments	-	-	1,610,896	-
Licenses and permits	-	-	6,495	13,808,312
Intergovernmental	250,000	2,981,352	9,135,053	512
Charges for services	3,080,892	-	962,111	938,739
Less - excess fees paid out	-	-	-	-
Fines and forfeitures	-	990,995	-	46,129
Investment income	1,234,584	176,213	754,772	729,306
Miscellaneous	44	-	902,827	818
Total revenues	31,383,589	4,148,560	13,375,831	15,523,816
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	478,108	-	19,628,568
Physical environment	-	-	-	-
Transportation	-	-	42,235,500	-
Economic environment	19,669,679	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	2,551	-	1,515,026	21,468
Debt service	-	-	-	-
Total expenditures	19,672,230	478,108	43,750,526	19,650,036
Excess of revenues over (under) expenditures	11,711,359	3,670,452	(30,374,695)	(4,126,220)
Other financing sources (uses):				
Transfers in	-	1,434,842	31,120,092	-
Transfers out	(9,449,479)	(5,007,705)	(361,601)	-
Issuance of long-term debt	-	-	-	-
Premium (discount) long-term debt	-	-	-	-
Total other financing sources (uses)	(9,449,479)	(3,572,863)	30,758,491	-
Net change in fund balances	2,261,880	97,589	383,796	(4,126,220)
Fund balances, October 1, 2006	22,494,123	2,431,489	18,506,332	15,052,342
Increase (decrease) in reserves, inventory	-	-	(470,952)	-
Fund balances, September 30, 2007	\$ 24,756,003	\$ 2,529,078	\$ 18,419,176	\$ 10,926,122

Library Taxing District Special Revenue Fund	Community and Social Development Special Revenue Fund	Affordable Housing (SHIP) Trust Fund Special Revenue Fund	Hurricane Housing Recovery Plan Fund Special Revenue Fund	Palm Tran Special Revenue Fund	Other Special Revenue Fund	Clerk & Comptroller Special Revenue Fund
\$ 48,213,646	\$ -	\$ -	\$ -	\$ 12,688,942	\$ 33,202,981	\$ -
-	-	-	-	-	8,562,623	-
40,111	-	-	-	-	912,476	-
1,370,221	38,751,718	2,598,679	3,740,755	20,521,277	86,206,420	630,370
72,590	588,488	-	-	11,967,512	13,643,065	43,908,412
-	-	-	-	-	-	-
399,976	-	-	-	-	2,217,318	6,915,865
1,249,531	665,405	952,724	122,198	274,937	3,288,099	1,496,464
88,346	1,504,068	1,619,143	-	1,005,962	1,814,297	1,967,784
51,434,421	41,509,679	5,170,546	3,862,953	46,458,630	149,847,279	54,918,895
-	-	-	-	-	25,109,556	62,849,794
-	1,103,674	-	-	-	8,902,563	-
-	-	-	-	-	4,986,906	-
-	-	-	-	71,662,049	-	-
-	16,467,969	16,697,031	1,317,846	-	126,717	-
-	45,449,447	-	-	-	610,722	-
31,207,239	-	-	-	-	4,492,489	-
4,234,836	514,645	-	-	8,573,886	12,058,450	3,605,083
-	163,952	-	-	675,000	-	-
35,442,075	63,699,687	16,697,031	1,317,846	80,910,935	56,287,403	66,454,877
15,992,346	(22,190,008)	(11,526,485)	2,545,107	(34,452,305)	93,559,876	(11,535,982)
-	15,688,900	-	-	32,399,292	2,990,343	17,803,724
(11,138,163)	(50,000)	-	-	(189,736)	(104,744,610)	(2,956,284)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(11,138,163)	15,638,900	-	-	32,209,556	(101,754,267)	14,847,440
4,854,183	(6,551,108)	(11,526,485)	2,545,107	(2,242,749)	(8,194,391)	3,311,458
10,989,433	7,972,768	24,527,973	-	10,512,025	73,138,699	16,490,208
-	-	-	-	(59,912)	9,022	-
\$ 15,843,616	\$ 1,421,660	\$ 13,001,488	\$ 2,545,107	\$ 8,209,364	\$ 64,953,330	\$ 19,801,666

PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (continued)
For the fiscal year ended September 30, 2007

	Tax Collector Special Revenue Fund	Property Appraiser Special Revenue Fund	Supervisor of Elections Special Revenue Fund	Total Special Revenue Funds
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ -	\$ 120,927,315
Special assessments	-	-	-	10,173,519
Licenses and permits	-	-	-	14,767,394
Intergovernmental	-	-	-	166,186,357
Charges for services	64,772,810	23,233,498	61,850	163,229,967
Less - excess fees paid out	(48,004,014)	(2,262,903)	-	(50,266,917)
Fines and forfeitures	-	-	-	10,570,283
Investment income	2,133,307	259,800	74,545	13,411,885
Miscellaneous	-	-	-	8,903,289
Total revenues	18,902,103	21,230,395	136,395	457,903,092
Expenditures:				
Current:				
General government	18,708,176	20,996,584	7,543,526	135,207,636
Public safety	-	-	-	30,112,913
Physical environment	-	-	-	4,986,906
Transportation	-	-	-	113,897,549
Economic environment	-	-	-	54,279,242
Human services	-	-	-	46,060,169
Culture and recreation	-	-	-	35,699,728
Capital outlay	189,387	229,227	1,824,730	32,769,289
Debt service	4,540	4,584	-	848,076
Total expenditures	18,902,103	21,230,395	9,368,256	453,861,508
Excess of revenues over (under) expenditures	-	-	(9,231,861)	4,041,584
Other financing sources (uses):				
Transfers in	-	-	9,883,688	111,320,881
Transfers out	-	-	(651,827)	(134,549,405)
Issuance of long-term debt	-	-	-	-
Premium (discount) long-term debt	-	-	-	-
Total other financing sources (uses)	-	-	9,231,861	(23,228,524)
Net change in fund balances	-	-	-	(19,186,940)
Fund balances, October 1, 2006	-	-	-	202,115,392
Increase in reserves, inventory	-	-	-	(521,842)
Fund balances, September 30, 2007	\$ -	\$ -	\$ -	\$ 182,406,610

General Obligation Bonds Debt Service	Revenue Bonds Debt Service	Other Financing Debt Service	Total Debt Service Funds	Criminal Justice Capital Projects	Environmental Lands Capital Projects	Fire Rescue Capital Projects
\$ 33,465,606	\$ -	\$ -	\$ 33,465,606	\$ -	\$ 8	\$ -
-	-	-	-	280,253	-	1,194,720
-	-	-	-	-	-	-
3,494	-	-	3,494	-	8,915,403	-
-	-	-	-	-	149,868	2,900
-	-	-	-	-	-	-
-	-	-	-	-	34,617	-
905,008	222,652	147,966	1,275,626	915,815	1,599,005	3,470,782
-	113,587	-	113,587	800	5,459,986	99,174
34,374,108	336,239	147,966	34,858,313	1,196,868	16,158,887	4,767,576
-	-	-	-	9,871	-	-
-	-	-	-	-	-	261,864
-	-	-	-	-	7,149,081	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	19,202	-
-	-	-	-	11,862,998	39,815,137	27,549,095
38,197,631	76,384,396	22,781,429	137,363,456	280,687	24,848	-
38,197,631	76,384,396	22,781,429	137,363,456	12,153,556	47,008,268	27,810,959
(3,823,523)	(76,048,157)	(22,633,463)	(102,505,143)	(10,956,688)	(30,849,381)	(23,043,383)
-	74,586,450	22,791,769	97,378,219	-	3,400,832	23,970,030
-	(4,541)	(4,787,422)	(4,791,963)	-	(6,532,537)	-
-	7,456,426	4,838,000	12,294,426	14,685,000	7,965,000	-
-	-	-	-	561,966	-	-
-	82,038,335	22,842,347	104,880,682	15,246,966	4,833,295	23,970,030
(3,823,523)	5,990,178	208,884	2,375,539	4,290,278	(26,016,086)	926,647
7,802,514	4,319,776	3,387,951	15,510,241	6,989,324	46,675,230	58,269,650
-	-	-	-	-	-	-
\$ 3,978,991	\$ 10,309,954	\$ 3,596,835	\$ 17,885,780	\$ 11,279,602	\$ 20,659,144	\$ 59,196,297

PALM BEACH COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended September 30, 2007

	Libraries Capital Projects	Parks and Recreation Capital Projects	Street and Drainage Capital Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:					
Taxes (net of discount)	\$ 131	\$ -	\$ -	\$ 139	\$ 154,393,060
Special assessments	314,066	3,044,082	961,957	5,795,078	15,968,597
Licenses and permits	-	-	-	-	14,767,394
Intergovernmental	150,000	758,921	-	9,824,324	176,014,175
Charges for services	-	4,225	-	156,993	163,386,960
Less - excess fees paid out	-	-	-	-	(50,266,917)
Fines and forfeitures	-	-	-	34,617	10,604,900
Investment income	4,423,956	7,483,261	914,564	18,807,383	33,494,894
Miscellaneous	250	4,257,443	-	9,817,653	18,834,529
Total revenues	4,888,403	15,547,932	1,876,521	44,436,187	537,197,592
Expenditures:					
Current:					
General government	-	6,825,524	-	6,835,395	142,043,031
Public safety	6,300	745,891	-	1,014,055	31,126,968
Physical environment	-	-	-	7,149,081	12,135,987
Transportation	-	-	1,182,625	1,182,625	115,080,174
Economic environment	-	350	-	350	54,279,592
Human services	-	-	-	-	46,060,169
Culture and recreation	210,254	7,265,980	-	7,495,436	43,195,164
Capital outlay	12,470,296	50,130,863	409,834	142,238,223	175,007,512
Debt service	-	16,418	-	321,953	138,533,485
Total expenditures	12,686,850	64,985,026	1,592,459	166,237,118	757,462,082
Excess of revenues over (under) expenditures	(7,798,447)	(49,437,094)	284,062	(121,800,931)	(220,264,490)
Other financing sources (uses):					
Transfers in	11,138,163	3,742,995	3,877,857	46,129,877	254,828,977
Transfers out	-	(2,287,543)	-	(8,820,080)	(148,161,448)
Issuance of long-term debt	-	15,660,000	-	38,310,000	50,604,426
Premium (discount) long-term debt	-	-	-	561,966	561,966
Total other financing sources (uses)	11,138,163	17,115,452	3,877,857	76,181,763	157,833,921
Net change in fund balances	3,339,716	(32,321,642)	4,161,919	(45,619,168)	(62,430,569)
Fund balances, October 1, 2006	73,503,315	134,013,474	7,981,061	327,432,054	545,057,687
Increase (decrease) in reserves, inventory	-	-	-	-	(521,842)
Fund balances, September 30, 2007	\$ 76,843,031	\$ 101,691,832	\$ 12,142,980	\$ 281,812,886	\$ 482,105,276

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 23,887,999	\$ 27,601,591	\$ 26,818,069	\$ (783,522)
Intergovernmental	250,000	250,000	250,000	-
Charges for services	3,389,350	3,389,350	3,080,892	(308,458)
Investment income	352,865	385,173	1,234,584	849,411
Miscellaneous	-	-	44	44
Less 5% anticipated revenues	(1,381,511)	(1,381,511)	-	1,381,511
Total revenues	26,498,703	30,244,603	31,383,589	1,138,986
Expenditures:				
Current:				
Economic environment	37,761,077	43,277,247	19,669,679	23,607,568
Capital outlay	-	12,000	2,551	9,449
Total expenditures	37,761,077	43,289,247	19,672,230	23,617,017
Excess of revenues over (under) expenditures	(11,262,374)	(13,044,644)	11,711,359	24,756,003
Other financing sources (uses):				
Transfers out	(8,435,681)	(9,449,479)	(9,449,479)	-
Total other financing sources (uses)	(8,435,681)	(9,449,479)	(9,449,479)	-
Net change in fund balances	(19,698,055)	(22,494,123)	2,261,880	24,756,003
Fund balances, October 1, 2006	19,698,055	22,494,123	22,494,123	-
Fund balances, September 30, 2007	\$ -	\$ -	\$ 24,756,003	\$ 24,756,003

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 251,726	\$ 4,747,547	\$ 2,981,352	\$ (1,766,195)
Fines and forfeitures	-	-	990,995	990,995
Investment income	42,000	42,000	176,213	134,213
Total revenues	293,726	4,789,547	4,148,560	(640,987)
Expenditures:				
Current:				
Public safety	1,348,132	1,700,758	478,108	1,222,650
Total expenditures	1,348,132	1,700,758	478,108	1,222,650
Excess of revenues over (under) expenditures	(1,054,406)	3,088,789	3,670,452	581,663
Other financing sources (uses):				
Transfers in	1,000,000	1,435,500	1,434,842	(658)
Transfers out	(950,541)	(7,005,191)	(5,007,705)	1,997,486
Total other financing sources (uses)	49,459	(5,569,691)	(3,572,863)	1,996,828
Net change in fund balances	(1,004,947)	(2,480,902)	97,589	2,578,491
Fund balances, October 1, 2006	1,004,947	2,480,902	2,431,489	(49,413)
Fund balances, September 30, 2007	\$ -	\$ -	\$ 2,529,078	\$ 2,529,078

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 10,000	\$ 10,000	\$ 3,677	\$ (6,323)
Special assessments	1,691,656	2,436,161	1,610,896	(825,265)
Licenses and permits	8,000	8,000	6,495	(1,505)
Intergovernmental	7,480,296	7,469,230	9,135,053	1,665,823
Charges for services	770,000	770,000	962,111	192,111
Investment income	272,711	272,711	754,772	482,061
Miscellaneous	2,302,897	2,302,897	902,827	(1,400,070)
Less 5% anticipated revenues	(412,328)	(412,328)	-	412,328
Total revenues	12,123,232	12,856,671	13,375,831	519,160
Expenditures:				
Current:				
Transportation	55,776,527	55,788,183	42,235,500	13,552,683
Economic environment	-	75,504	-	75,504
Capital outlay	4,523,711	5,342,990	1,515,026	3,827,964
Total expenditures	60,300,238	61,206,677	43,750,526	17,456,151
Excess of revenues over (under) expenditures	(48,177,006)	(48,350,006)	(30,374,695)	17,975,311
Other financing sources (uses):				
Transfers in	35,973,464	34,453,157	31,120,092	(3,333,065)
Transfers out	(361,601)	(361,601)	(361,601)	-
Total other financing sources (uses)	35,611,863	34,091,556	30,758,491	(3,333,065)
Net change in fund balances	(12,565,143)	(14,258,450)	383,796	14,642,246
Fund balances, October 1, 2006	12,565,143	14,258,450	18,506,332	4,247,882
Increase in reserves, inventory	-	-	(470,952)	(470,952)
Fund balances, September 30, 2007	\$ -	\$ -	\$ 18,419,176	\$ 18,419,176

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ 20,001,000	\$ 20,001,000	\$ 13,808,312	\$ (6,192,688)
Intergovernmental	-	-	512	512
Charges for services	1,432,000	1,432,000	938,739	(493,261)
Fines and forfeitures	70,000	70,000	46,129	(23,871)
Investment income	375,000	375,000	729,306	354,306
Miscellaneous	-	-	818	818
Less 5% anticipated revenues	(770,693)	(770,693)	-	770,693
Total revenues	21,107,307	21,107,307	15,523,816	(5,583,491)
Expenditures:				
Current:				
Public safety	30,961,428	35,928,749	19,628,568	16,300,181
Capital outlay	230,900	230,900	21,468	209,432
Total expenditures	31,192,328	36,159,649	19,650,036	16,509,613
Excess of revenues over (under) expenditures	(10,085,021)	(15,052,342)	(4,126,220)	10,926,122
Net change in fund balances	(10,085,021)	(15,052,342)	(4,126,220)	10,926,122
Fund balances, October 1, 2006	10,085,021	15,052,342	15,052,342	-
Fund balances, September 30, 2007	\$ -	\$ -	\$ 10,926,122	\$ 10,926,122

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 50,118,218	\$ 50,118,218	\$ 48,213,646	\$ (1,904,572)
Licenses and permits	29,000	29,000	40,111	11,111
Intergovernmental	1,476,255	1,496,865	1,370,221	(126,644)
Charges for services	47,429	47,429	72,590	25,161
Fines and forfeitures	374,819	374,819	399,976	25,157
Investment income	444,535	444,535	1,249,531	804,996
Miscellaneous	79,274	122,440	88,346	(34,094)
Less 5% anticipated revenues	(2,455,698)	(2,455,698)	-	2,455,698
Total revenues	50,113,832	50,177,608	51,434,421	1,256,813
Expenditures:				
Current:				
Culture and recreation	37,227,046	44,781,421	31,207,239	13,574,182
Capital outlay	5,261,323	5,247,457	4,234,836	1,012,621
Total expenditures	42,488,369	50,028,878	35,442,075	14,586,803
Excess of revenues over (under) expenditures	7,625,463	148,730	15,992,346	15,843,616
Other financing sources (uses):				
Transfers out	(11,138,163)	(11,138,163)	(11,138,163)	-
Total other financing sources (uses)	(11,138,163)	(11,138,163)	(11,138,163)	-
Net change in fund balances	(3,512,700)	(10,989,433)	4,854,183	15,843,616
Fund balances, October 1, 2006	3,512,700	10,989,433	10,989,433	-
Fund balances, September 30, 2007	\$ -	\$ -	\$ 15,843,616	\$ 15,843,616

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 78,670,541	\$ 96,839,378	\$ 38,751,718	\$ (58,087,660)
Charges for services	341,889	341,889	588,488	246,599
Investment income	216,000	216,000	665,405	449,405
Miscellaneous	1,160,778	1,160,778	1,504,068	343,290
Total revenues	80,389,208	98,558,045	41,509,679	(57,048,366)
Expenditures:				
Current:				
Public safety	1,262,600	2,179,131	1,103,674	1,075,457
Economic environment	41,215,269	61,659,282	16,467,969	45,191,313
Human services	57,550,006	58,639,555	45,449,447	13,190,108
Capital outlay	1,288,696	1,450,226	514,645	935,581
Debt service	286,689	286,689	163,952	122,737
Total expenditures	101,603,260	124,214,883	63,699,687	60,515,196
Excess of revenues over (under) expenditures	(21,214,052)	(25,656,838)	(22,190,008)	3,466,830
Other financing sources (uses):				
Transfers in	17,412,597	17,967,797	15,688,900	(2,278,897)
Transfers out	(244,068)	(389,218)	(50,000)	339,218
Total other financing sources (uses)	17,168,529	17,578,579	15,638,900	(1,939,679)
Net change in fund balances	(4,045,523)	(8,078,259)	(6,551,108)	1,527,151
Fund balances, October 1, 2006	4,045,523	8,078,259	7,972,768	(105,491)
Fund balances, September 30, 2007	\$ -	\$ -	\$ 1,421,660	\$ 1,421,660

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 19,169,051	\$ 25,594,162	\$ 2,598,679	\$ (22,995,483)
Investment income	404,500	404,500	952,724	548,224
Miscellaneous	2,690,000	3,340,362	1,619,143	(1,721,219)
Total revenues	22,263,551	29,339,024	5,170,546	(24,168,478)
Expenditures:				
Current:				
Economic environment	33,813,087	53,837,882	16,697,031	37,140,851
Capital outlay	13,000	21,600	-	21,600
Total expenditures	33,826,087	53,859,482	16,697,031	37,162,451
Excess of revenues over (under) expenditures	(11,562,536)	(24,520,458)	(11,526,485)	12,993,973
Net change in fund balances	(11,562,536)	(24,520,458)	(11,526,485)	12,993,973
Fund balances, October 1, 2006	11,562,536	24,520,458	24,527,973	7,515
Fund balances, September 30, 2007	\$ -	\$ -	\$ 13,001,488	\$ 13,001,488

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Hurricane Housing Recovery Plan Fund Special Revenue Fund
For the fiscal year ended September 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 4,283,651	\$ 3,740,755	\$ (542,896)
Investment income	-	-	122,198	122,198
Total revenues	-	4,283,651	3,862,953	(420,698)
Expenditures:				
Current:				
Economic environment	-	4,283,651	1,317,846	2,965,805
Total expenditures	-	4,283,651	1,317,846	2,965,805
Excess of revenues over (under) expenditures	-	-	2,545,107	2,545,107
Net change in fund balances	-	-	2,545,107	2,545,107
Fund balances, October 1, 2006	-	-	-	-
Fund balances, September 30, 2007	\$ -	\$ -	\$ 2,545,107	\$ 2,545,107

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 13,697,882	\$ 13,697,882	\$ 12,688,942	\$ (1,008,940)
Intergovernmental	31,526,116	44,866,781	20,521,277	(24,345,504)
Charges for services	13,214,981	13,214,981	11,967,512	(1,247,469)
Investment income	150,000	150,000	274,937	124,937
Miscellaneous	1,067,038	1,067,038	1,005,962	(61,076)
Less 5% anticipated revenues	(1,436,700)	(1,436,700)	-	1,436,700
Total revenues	58,219,317	71,559,982	46,458,630	(25,101,352)
Expenditures:				
Current:				
Transportation	80,420,441	84,768,687	71,662,049	13,106,638
Capital outlay	16,111,740	22,999,233	8,573,886	14,425,347
Debt service	675,000	675,000	675,000	-
Total expenditures	97,207,181	108,442,920	80,910,935	27,531,985
Excess of revenues over (under) expenditures	(38,987,864)	(36,882,938)	(34,452,305)	2,430,633
Other financing sources (uses):				
Transfers in	41,934,640	41,045,290	32,399,292	(8,645,998)
Transfers out	(9,554,133)	(16,033,184)	(189,736)	15,843,448
Total other financing sources (uses)	32,380,507	25,012,106	32,209,556	7,197,450
Net change in fund balances	(6,607,357)	(11,870,832)	(2,242,749)	9,628,083
Fund balances, October 1, 2006	6,607,357	11,870,832	10,512,025	(1,358,807)
Decrease in reserves, inventory	-	-	(59,912)	(59,912)
Fund balances, September 30, 2007	\$ -	\$ -	\$ 8,209,364	\$ 8,209,364

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 4,800,000	\$ 34,405,000	\$ 33,202,981	\$ (1,202,019)
Special assessments	25,789,000	25,789,000	8,562,623	(17,226,377)
Licenses and permits	675,000	675,000	912,476	237,476
Intergovernmental	89,201,181	90,405,285	86,206,420	(4,198,865)
Charges for services	15,319,763	12,553,605	13,643,065	1,089,460
Fines and forfeitures	2,353,769	2,701,769	2,217,318	(484,451)
Investment income	1,778,135	1,778,135	3,288,099	1,509,964
Miscellaneous	1,430,010	1,440,010	1,814,297	374,287
Less 5% anticipated revenues	(5,884,986)	(7,365,236)	-	7,365,236
Total revenues	135,461,872	162,382,568	149,847,279	(12,535,289)
Expenditures:				
Current:				
General government	5,222,077	25,676,948	25,109,556	567,392
Public safety	13,990,187	14,412,137	8,902,563	5,509,574
Physical environment	77,964,491	48,967,055	4,986,906	43,980,149
Economic environment	1,529,049	1,611,492	126,717	1,484,775
Human services	984,503	1,071,220	610,722	460,498
Culture and recreation	5,302,635	5,874,404	4,492,489	1,381,915
Capital outlay	7,944,842	16,636,669	12,058,450	4,578,219
Total expenditures	112,937,784	114,249,925	56,287,403	57,962,522
Excess of revenues over (under) expenditures	22,524,088	48,132,643	93,559,876	45,427,233
Other financing sources (uses):				
Transfers in	2,675,832	3,245,832	2,990,343	(255,489)
Transfers out	(88,582,821)	(121,911,911)	(104,744,610)	17,167,301
Total other financing sources (uses)	(85,906,989)	(118,666,079)	(101,754,267)	16,911,812
Net change in fund balances	(63,382,901)	(70,533,436)	(8,194,391)	62,339,045
Fund balances, October 1, 2006	63,382,901	70,533,436	73,138,699	2,605,263
Decrease in reserves, inventory	-	-	9,022	9,022
Fund balances, September 30, 2007	\$ -	\$ -	\$ 64,953,330	\$ 64,953,330

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Clerk & Comptroller Special Revenue Fund
For the fiscal year ended September 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 598,826	\$ 598,826	\$ 630,370	\$ 31,544
Charges for services	45,490,994	45,490,994	43,908,412	(1,582,582)
Fines and forfeitures	7,139,557	7,139,557	6,915,865	(223,692)
Investment income	935,707	935,707	1,496,464	560,757
Miscellaneous	1,967,781	1,967,781	1,967,784	3
Total revenues	56,132,865	56,132,865	54,918,895	(1,213,970)
Expenditures:				
Current:				
General government	61,353,185	65,834,720	62,849,794	2,984,926
Capital outlay	8,365,800	3,760,257	3,605,083	155,174
Total expenditures	69,718,985	69,594,977	66,454,877	3,140,100
Excess of revenues over (under) expenditures	(13,586,120)	(13,462,112)	(11,535,982)	1,926,130
Other financing sources (uses):				
Transfers in	18,019,239	18,019,239	17,803,724	(215,515)
Transfers out	(2,000,000)	(2,124,008)	(2,956,284)	(832,276)
Total other financing sources (uses)	16,019,239	15,895,231	14,847,440	(1,047,791)
Net change in fund balances	2,433,119	2,433,119	3,311,458	878,339
Fund balances, October 1, 2006	16,490,208	16,490,208	16,490,208	-
Fund balances, September 30, 2007	\$ 18,923,327	\$ 18,923,327	\$ 19,801,666	\$ 878,339

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Tax Collector Special Revenue Fund
For the fiscal year ended September 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 56,249,100	\$ 61,249,100	\$ 64,772,810	\$ 3,523,710
Less - excess fees paid out	(37,673,315)	(42,095,315)	(48,004,014)	(5,908,699)
Investment income	850,000	850,000	2,133,307	1,283,307
Total revenues	19,425,785	20,003,785	18,902,103	(1,101,682)
Expenditures:				
Current:				
General government	18,942,726	19,566,883	18,708,176	858,707
Capital outlay	483,059	436,902	189,387	247,515
Debt service	-	-	4,540	(4,540)
Total expenditures	19,425,785	20,003,785	18,902,103	1,101,682
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2006	-	-	-	-
Fund balances, September 30, 2007	\$ -	\$ -	\$ -	\$ -

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Property Appraiser Special Revenue Fund
For the fiscal year ended September 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 23,133,199	\$ 23,133,199	\$ 23,233,498	\$ 100,299
Less - excess fees paid out	-	-	(2,262,903)	(2,262,903)
Investment income	-	-	259,800	259,800
Total revenues	23,133,199	23,133,199	21,230,395	(1,902,804)
Expenditures:				
Current:				
General government	22,979,212	22,913,899	20,996,584	1,917,315
Capital outlay	153,987	219,300	229,227	(9,927)
Debt service	-	-	4,584	(4,584)
Total expenditures	23,133,199	23,133,199	21,230,395	1,902,804
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2006	-	-	-	-
Fund balances, September 30, 2007	\$ -	\$ -	\$ -	\$ -

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Supervisor of Elections Special Revenue Fund
For the fiscal year ended September 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 25,000	\$ 25,000	\$ 61,850	\$ 36,850
Investment income	-	-	74,545	74,545
Total revenues	25,000	25,000	136,395	111,395
Expenditures:				
Current:				
General government	8,363,688	8,363,688	7,543,526	820,162
Capital outlay	170,000	1,545,000	1,824,730	(279,730)
Total expenditures	8,533,688	9,908,688	9,368,256	540,432
Excess of revenues over (under) expenditures	(8,508,688)	(9,883,688)	(9,231,861)	651,827
Other financing sources (uses):				
Transfers in	8,508,688	9,883,688	9,883,688	-
Transfers out	-	-	(651,827)	(651,827)
Total other financing sources (uses)	8,508,688	9,883,688	9,231,861	(651,827)
Net change in fund balances	-	-	-	-
Fund balances, October 1, 2006	-	-	-	-
Fund balances, September 30, 2007	\$ -	\$ -	\$ -	\$ -

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 34,798,086	\$ 34,799,205	\$ 33,465,606	\$ (1,333,599)
Intergovernmental	-	-	3,494	3,494
Investment income	-	2,047	905,008	902,961
Less 5% anticipated revenues	(1,786,505)	(1,786,505)	-	1,786,505
Total revenues	33,011,581	33,014,747	34,374,108	1,359,361
Expenditures:				
Debt service	39,799,403	40,021,395	38,197,631	1,823,764
Total expenditures	39,799,403	40,021,395	38,197,631	1,823,764
Excess of revenues over (under) expenditures	(6,787,822)	(7,006,648)	(3,823,523)	3,183,125
Net change in fund balances	(6,787,822)	(7,006,648)	(3,823,523)	3,183,125
Fund balances, October 1, 2006	6,787,822	7,006,648	7,802,514	795,866
Fund balances, September 30, 2007	\$ -	\$ -	\$ 3,978,991	\$ 3,978,991

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 222,652	\$ 222,652
Miscellaneous	3,046,224	113,587	113,587	-
Total revenues	3,046,224	113,587	336,239	222,652
Expenditures:				
Debt service	68,004,919	86,048,921	76,384,396	9,664,525
Total expenditures	68,004,919	86,048,921	76,384,396	9,664,525
Excess of revenues over (under) expenditures	(64,958,695)	(85,935,334)	(76,048,157)	9,887,177
Other financing sources (uses):				
Transfers in	63,909,897	74,746,679	74,586,450	(160,229)
Transfers out	-	(5,451)	(4,541)	910
Proceeds from long-term borrowings	-	7,456,425	7,456,426	1
Total other financing sources (uses)	63,909,897	82,197,653	82,038,335	(159,318)
Net change in fund balances	(1,048,798)	(3,737,681)	5,990,178	9,727,859
Fund balances, October 1, 2006	1,048,798	3,737,681	4,319,776	582,095
Fund balances, September 30, 2007	\$ -	\$ -	\$ 10,309,954	\$ 10,309,954

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 147,966	\$ 147,966
Total revenues	-	-	147,966	147,966
Expenditures:				
Debt service	15,811,434	24,949,048	22,781,429	2,167,619
Total expenditures	15,811,434	24,949,048	22,781,429	2,167,619
Excess of revenues over (under) expenditures	(15,811,434)	(24,949,048)	(22,633,463)	2,315,585
Other financing sources (uses):				
Transfers in	13,805,783	22,792,679	22,791,769	(910)
Transfers out	-	(4,794,422)	(4,787,422)	7,000
Proceeds from long-term borrowings	-	4,838,000	4,838,000	-
Total other financing sources (uses)	13,805,783	22,836,257	22,842,347	6,090
Net change in fund balances	(2,005,651)	(2,112,791)	208,884	2,321,675
Fund balances, October 1, 2006	2,005,651	2,112,791	3,387,951	1,275,160
Fund balances, September 30, 2007	\$ -	\$ -	\$ 3,596,835	\$ 3,596,835

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 620,000	\$ 620,000	\$ 280,253	\$ (339,747)
Investment income	661,000	665,500	915,815	250,315
Miscellaneous	-	-	800	800
Less 5% anticipated revenues	(64,050)	(64,050)	-	64,050
Total revenues	1,216,950	1,221,450	1,196,868	(24,582)
Expenditures:				
Current:				
General government	616,152	531,048	9,871	521,177
Public safety	25,000	15,693	-	15,693
Capital outlay	23,405,579	42,457,739	11,862,998	30,594,741
Debt service	-	291,966	280,687	11,279
Total expenditures	24,046,731	43,296,446	12,153,556	31,142,890
Excess of revenues over (under) expenditures	(22,829,781)	(42,074,996)	(10,956,688)	31,118,308
Other financing sources (uses):				
Transfers out	-	(206,295)	-	206,295
Issuance of long-term debt	-	34,730,000	14,685,000	(20,045,000)
Premium (discount) long-term borrowings	-	561,966	561,966	-
Total other financing sources (uses)	-	35,085,671	15,246,966	(19,838,705)
Net change in fund balances	(22,829,781)	(6,989,325)	4,290,278	11,279,603
Fund balances, October 1, 2006	22,829,781	6,989,325	6,989,324	(1)
Fund balances, September 30, 2007	\$ -	\$ -	\$ 11,279,602	\$ 11,279,602

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ 8	\$ 8
Intergovernmental	3,745,922	11,752,735	8,915,403	(2,837,332)
Charges for services	1,208,176	1,608,176	149,868	(1,458,308)
Fines and forfeitures	70,000	70,000	34,617	(35,383)
Investment income	1,383,000	1,383,000	1,599,005	216,005
Miscellaneous	-	5,110,000	5,459,986	349,986
Less 5% anticipated revenues	(68,900)	(68,900)	-	68,900
Total revenues	6,338,198	19,855,011	16,158,887	(3,696,124)
Expenditures:				
Current:				
General government	26,976	2,800	-	2,800
Physical environment	21,106,083	26,792,716	7,149,081	19,643,635
Culture and recreation	13,380	27,165	19,202	7,963
Capital outlay	39,547,115	44,491,796	39,815,137	4,676,659
Debt service	24,210	49,058	24,848	24,210
Total expenditures	60,717,764	71,363,535	47,008,268	24,355,267
Excess of revenues over (under) expenditures	(54,379,566)	(51,508,524)	(30,849,381)	20,659,143
Other financing sources (uses):				
Transfers in	3,400,832	3,400,832	3,400,832	-
Transfers out	-	(6,532,537)	(6,532,537)	-
Proceeds from long-term borrowings	-	7,965,000	7,965,000	-
Total other financing sources (uses)	3,400,832	4,833,295	4,833,295	-
Net change in fund balances	(50,978,734)	(46,675,229)	(26,016,086)	20,659,143
Fund balances, October 1, 2006	50,978,734	46,675,229	46,675,230	1
Fund balances, September 30, 2007	\$ -	\$ -	\$ 20,659,144	\$ 20,659,144

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 2,590,000	\$ 2,590,000	\$ 1,194,720	\$ (1,395,280)
Charges for services	-	-	2,900	2,900
Investment income	825,000	825,000	3,470,782	2,645,782
Miscellaneous	350,000	350,000	99,174	(250,826)
Less 5% anticipated revenues	(170,750)	(170,750)	-	170,750
Total revenues	3,594,250	3,594,250	4,767,576	1,173,326
Expenditures:				
Current:				
Public safety	1,150,052	1,469,736	261,864	1,207,872
Capital outlay	86,466,581	84,364,194	27,549,095	56,815,099
Total expenditures	87,616,633	85,833,930	27,810,959	58,022,971
Excess of revenues over (under) expenditures	(84,022,383)	(82,239,680)	(23,043,383)	59,196,297
Other financing sources (uses):				
Transfers in	22,080,000	23,970,030	23,970,030	-
Total other financing sources (uses)	22,080,000	23,970,030	23,970,030	-
Net change in fund balances	(61,942,383)	(58,269,650)	926,647	59,196,297
Fund balances, October 1, 2006	61,942,383	58,269,650	58,269,650	-
Fund balances, September 30, 2007	\$ -	\$ -	\$ 59,196,297	\$ 59,196,297

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ 79	\$ 79
Special assessments	1,575,000	1,575,000	2,386,940	811,940
Intergovernmental	2,700,751	8,696,345	781,664	(7,914,681)
Charges for services	2,793,500	1,518,500	3,219,364	1,700,864
Fines and forfeitures	800,000	800,000	1,176,750	376,750
Investment income	5,202,067	5,445,815	15,996,309	10,550,494
Miscellaneous	1,223,366	5,646,765	5,162,305	(484,460)
Less 5% anticipated revenues	(491,005)	(491,005)	-	491,005
Total revenues	13,803,679	23,191,420	28,723,411	5,531,991
Expenditures:				
Current:				
General government	87,725,121	78,444,763	29,702,170	48,742,593
Public safety	3,182,782	2,055,541	1,694,449	361,092
Physical environment	6,610,441	6,684,707	1,124,751	5,559,956
Transportation	1,277,080	4,010,176	1,339,354	2,670,822
Economic environment	100,107,021	111,945,553	70,322,594	41,622,959
Human services	96,057	95,976	-	95,976
Capital outlay	194,061,368	181,055,549	59,691,026	121,364,523
Debt service	71,726	1,027,618	66,600	961,018
Total expenditures	393,131,596	385,319,883	163,940,944	221,378,939
Excess of revenues over (under) expenditures	(379,327,917)	(362,128,463)	(135,217,533)	226,910,930
Other financing sources (uses):				
Transfers in	77,371,348	93,059,507	83,378,301	(9,681,206)
Transfers out	(599,762)	(27,156,539)	(27,198,876)	(42,337)
Issuance of long-term debt	-	17,845,485	27,866,492	10,021,007
Total other financing sources (uses)	76,771,586	83,748,453	84,045,917	297,464
Net change in fund balances	(302,556,331)	(278,380,010)	(51,171,616)	227,208,394
Fund balances, October 1, 2006	302,556,331	278,380,010	269,929,912	(8,450,098)
Fund balances, September 30, 2007	\$ -	\$ -	\$ 218,758,296	\$ 218,758,296

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ -	\$ -	\$ 131	\$ 131
Special assessments	1,000,000	1,000,000	314,066	(685,934)
Intergovernmental	500,000	850,000	150,000	(700,000)
Investment income	3,034,629	3,034,629	4,423,956	1,389,327
Miscellaneous	-	-	250	250
Total revenues	4,534,629	4,884,629	4,888,403	3,774
Expenditures:				
Current:				
Public safety	172,818	171,118	6,300	164,818
Culture and recreation	495,461	244,563	210,254	34,309
Capital outlay	88,473,890	89,065,462	12,470,296	76,595,166
Debt service	46,360	44,961	-	44,961
Total expenditures	89,188,529	89,526,104	12,686,850	76,839,254
Excess of revenues over (under) expenditures	(84,653,900)	(84,641,475)	(7,798,447)	76,843,028
Other financing sources (uses):				
Transfers in	11,138,163	11,138,163	11,138,163	-
Total other financing sources (uses)	11,138,163	11,138,163	11,138,163	-
Net change in fund balances	(73,515,737)	(73,503,312)	3,339,716	76,843,028
Fund balances, October 1, 2006	73,515,737	73,503,312	73,503,315	3
Fund balances, September 30, 2007	\$ -	\$ -	\$ 76,843,031	\$ 76,843,031

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Parks and Recreation Capital Projects Fund
For the fiscal year ended September 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 1,010,000	\$ 2,216,750	\$ 758,921	\$ (1,457,829)
Special assessments	9,600,000	9,600,000	3,044,082	(6,555,918)
Charges for services	300,000	300,000	4,225	(295,775)
Investment income	4,379,400	4,379,400	7,483,261	3,103,861
Miscellaneous	100,000	2,150,313	4,257,443	2,107,130
Less 5% anticipated revenues	(698,450)	(698,450)	-	698,450
Total revenues	14,690,950	17,948,013	15,547,932	(2,400,081)
Expenditures:				
Current:				
General government	10,300,000	11,900,000	6,825,524	5,074,476
Public safety	2,941,803	1,572,607	745,891	826,716
Economic environment	815	700	350	350
Culture and recreation	36,626,390	41,738,157	7,265,980	34,472,177
Capital outlay	124,876,275	113,797,972	50,130,863	63,667,109
Debt service	47,564	67,502	16,418	51,084
Total expenditures	174,792,847	169,076,938	64,985,026	104,091,912
Excess of revenues over (under) expenditures	(160,101,897)	(151,128,925)	(49,437,094)	101,691,831
Other financing sources (uses):				
Transfers in	3,275,000	3,742,995	3,742,995	-
Transfers out	-	(2,287,543)	(2,287,543)	-
Issuance of long-term debt	7,500,000	15,660,000	15,660,000	-
Total other financing sources (uses)	10,775,000	17,115,452	17,115,452	-
Net change in fund balances	(149,326,897)	(134,013,473)	(32,321,642)	101,691,831
Fund balances, October 1, 2006	149,326,897	134,013,473	134,013,474	1
Fund balances, September 30, 2007	\$ -	\$ -	\$ 101,691,832	\$ 101,691,832

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, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes (net of discount)	\$ 37,848,000	\$ 37,848,000	\$ 34,975,554	\$ (2,872,446)
Special assessments	41,003,714	41,003,714	18,540,244	(22,463,470)
Intergovernmental	23,794,739	34,992,732	12,106,864	(22,885,868)
Charges for services	1,020,300	1,020,300	1,846,432	826,132
Investment income	8,733,460	8,733,460	21,654,399	12,920,939
Miscellaneous	9,036,140	11,472,198	4,518,863	(6,953,335)
Less 5% anticipated revenues	(4,759,358)	(4,759,358)	-	4,759,358
Total revenues	116,676,995	130,311,046	93,642,356	(36,668,690)
Expenditures:				
Current:				
General government	5,343,728	5,343,728	5,022,905	320,823
Transportation	20,707,590	24,733,317	10,329,327	14,403,990
Economic environment	630,038	630,038	-	630,038
Culture and recreation	500,000	1,000,000	-	1,000,000
Capital outlay	468,489,543	465,732,182	60,644,901	405,087,281
Total expenditures	495,670,899	497,439,265	75,997,133	421,442,132
Excess of revenues over (under) expenditures	(378,993,904)	(367,128,219)	17,645,223	384,773,442
Other financing sources (uses):				
Transfers in	831,601	831,601	831,601	-
Transfers out	(19,180,371)	(20,289,761)	(20,289,761)	-
Total other financing sources (uses)	(18,348,770)	(19,458,160)	(19,458,160)	-
Net change in fund balances	(397,342,674)	(386,586,379)	(1,812,937)	384,773,442
Fund balances, October 1, 2006	397,342,674	386,586,379	386,586,389	10
Fund balances, September 30, 2007	\$ -	\$ -	\$ 384,773,452	\$ 384,773,452

PALM BEACH COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Street and Drainage Capital Projects Fund
For the fiscal year ended September 30, 2007

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 1,605,000	\$ 1,605,000	\$ 961,957	\$ (643,043)
Investment income	364,550	364,550	914,564	550,014
Miscellaneous	17,655	69,495	-	(69,495)
Less 5% anticipated revenues	(98,393)	(98,393)	-	98,393
Total revenues	1,888,812	1,940,652	1,876,521	(64,131)
Expenditures:				
Current:				
Transportation	1,569,440	1,421,601	1,182,625	238,976
Economic environment	14	49,354	-	49,354
Capital outlay	11,849,160	12,328,616	409,834	11,918,782
Debt service	-	-	-	-
Total expenditures	13,418,614	13,799,571	1,592,459	12,207,112
Excess of revenues over (under) expenditures	(11,529,802)	(11,858,919)	284,062	12,142,981
Other financing sources (uses):				
Transfers in	3,000,000	3,877,857	3,877,857	-
Total other financing sources (uses)	3,000,000	3,877,857	3,877,857	-
Net change in fund balances	(8,529,802)	(7,981,062)	4,161,919	12,142,981
Fund balances, October 1, 2006	8,529,802	7,981,062	7,981,061	(1)
Fund balances, September 30, 2007	\$ -	\$ -	\$ 12,142,980	\$ 12,142,980



INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Fleet Management - To account for the cost of operations for the repair and maintenance of County owned/leased vehicles and equipment as well as interdepartmental rental of cars, trucks and specialized equipment and automated fuel service. Such costs are billed to user departments at estimated cost of operations including equipment replacement and additions.

Graphics - To account for the costs of operating the County printing and copying services facility. Such costs are billed to user departments at estimated cost of operations including equipment replacement and additions.

Combined Insurance Fund - To account for the assessed premiums, claims and administration of the County's Risk Management Department for general, auto and property liability, employee group health, and Workers' Compensation.

ISS - To account for the costs of operating the County Data Processing Facility. Such costs are billed to user departments at estimated cost of operations including equipment replacement and additions.

Clerk & Comptroller Insurance Fund - To account for the assessed premiums, claims and administration of the Clerk & Comptroller's employee group health insurance program.

PALM BEACH COUNTY, FLORIDA
Combining Statement of Net Assets
Internal Service Funds
September 30, 2007

	Fleet Management	Graphics	Combined Insurance Fund	ISS	Clerk & Comptroller Insurance Fund	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 6,882,712	\$ 78,003	\$ 79,652,054	\$ 4,184,968	\$ 2,785,178	\$ 93,582,915
Accounts receivable, net	31,541	953	23,199	3,495	-	59,188
Due from other county funds	2,394,958	2,189	2,120,050	2,846,943	299,225	7,663,365
Due from other governments	235,551	10,565	66,100	3,868	-	316,084
Due from component unit	-	-	2,813	3,579	-	6,392
Inventory	877,807	46,440	-	-	-	924,247
Other assets	-	-	5,391,571	90,137	101,465	5,583,173
Total current assets	10,422,569	138,150	87,255,787	7,132,990	3,185,868	108,135,364
Capital assets:						
Buildings	439,352	-	-	-	-	439,352
Improvements other than buildings	810,040	-	-	-	-	810,040
Furniture, fixtures and equipment	62,230,840	566,215	305,963	33,792,805	-	96,895,823
Accumulated depreciation	(34,304,175)	(547,240)	(289,322)	(27,743,605)	-	(62,884,342)
Total assets	39,598,626	157,125	87,272,428	13,182,190	3,185,868	143,396,237
LIABILITIES						
Current liabilities:						
Vouchers payable and accrued liabilities	1,926,337	31,243	1,761,988	1,292,807	1,140	5,013,515
Due to other county funds	34,254	7,029	46,746	76,619	85,604	250,252
Due to other governments	-	-	286,051	340	-	286,391
Insurance claims payable	-	-	22,659,965	-	532,000	23,191,965
Current portion of long-term debt	-	-	-	198,332	-	198,332
Other liabilities	622,369	26,144	328,498	2,595,485	7,124	3,579,620
Total current liabilities	2,582,960	64,416	25,083,248	4,163,583	625,868	32,520,075
Other long-term liabilities	-	-	33,784,000	311,637	-	34,095,637
Total liabilities	2,582,960	64,416	58,867,248	4,475,220	625,868	66,615,712
NET ASSETS						
Invested in capital assets, net of related debt	29,176,057	18,975	16,641	5,534,479	-	34,746,152
Unrestricted	7,839,609	73,734	28,388,539	3,172,491	2,560,000	42,034,373
Total net assets	\$ 37,015,666	\$ 92,709	\$ 28,405,180	\$ 8,706,970	\$ 2,560,000	\$ 76,780,525

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, 2007

	Fleet Management	Graphics	Combined Insurance Fund	ISS	Clerk & Comptroller Insurance Fund	Total
Operating revenues:						
Charges for services	\$ 29,819,506	\$ 1,350,771	\$ 71,688,520	\$ 31,733,732	\$ 6,955,981	\$141,548,510
Total operating revenues	29,819,506	1,350,771	71,688,520	31,733,732	6,955,981	141,548,510
Operating expenses:						
Transportation services	20,315,192	-	-	-	-	20,315,192
Printing services	-	1,339,256	-	-	-	1,339,256
Self-insurance services	-	-	85,388,583	-	6,540,757	91,929,340
Data processing services	-	-	-	30,032,715	-	30,032,715
Depreciation and amortization	7,630,006	13,495	20,441	4,819,561	-	12,483,503
Total operating expenses	27,945,198	1,352,751	85,409,024	34,852,276	6,540,757	156,100,006
Operating income (loss)	1,874,308	(1,980)	(13,720,504)	(3,118,544)	415,224	(14,551,496)
Nonoperating revenues (expenses):						
Investment income	357,404	-	4,584,335	245,620	167,776	5,355,135
Interest expense	-	(2,084)	-	(16,171)	-	(18,255)
Other revenues	944,290	248	2,875,608	116,285	-	3,936,431
Total nonoperating revenues (expenses)	1,301,694	(1,836)	7,459,943	345,734	167,776	9,273,311
Income (loss) before contributions and transfers	3,176,002	(3,816)	(6,260,561)	(2,772,810)	583,000	(5,278,185)
Capital contributions	-	-	-	2,033,723	-	2,033,723
Transfers in	-	-	-	107,294	-	107,294
Transfers out	(97,052)	-	(406,237)	(1,500,000)	-	(2,003,289)
Change in net assets	3,078,950	(3,816)	(6,666,798)	(2,131,793)	583,000	(5,140,457)
Net Assets October 1, 2006	33,936,716	96,525	35,071,978	10,838,763	1,977,000	81,920,982
Net Assets September 30, 2007	\$ 37,015,666	\$ 92,709	\$ 28,405,180	\$ 8,706,970	\$ 2,560,000	\$ 76,780,525

PALM BEACH COUNTY, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended September 30, 2007

	Fleet Management	Graphics
Cash flows from operating activities:		
Cash received from customers	\$ 1,711,751	\$ 56,817
Cash received from other funds for goods and services	28,112,704	1,291,191
Cash payments to vendors for goods and services	(13,497,384)	(653,535)
Cash payments to employees for services	(5,070,802)	(584,185)
Cash payments to other funds	(1,694,506)	(97,077)
Claims paid	-	-
Other receipts	106,502	197
Net cash provided by (used in) operating activities	9,668,265	13,408
Cash flows from noncapital financing activities:		
Transfers in	-	-
Transfers out	(97,052)	-
Net cash (used in) noncapital financing activities	(97,052)	-
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	1,280,757	50
Purchase and construction of capital assets	(8,644,004)	-
Proceeds from long-term borrowings	-	-
Principal payments on debt	-	-
Interest payments on debt	-	(2,084)
Net cash (used in) capital and related financing activities	(7,363,247)	(2,034)
Cash flows from investing activities:		
Interest on investments	358,735	-
Net cash provided by investing activities	358,735	-
Net increase (decrease) in cash and cash equivalents	2,566,701	11,374
Cash and cash equivalents, October 1, 2006	4,316,011	66,629
Cash and cash equivalents, September 30, 2007	\$ 6,882,712	\$ 78,003
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 1,874,308	\$ (1,980)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	7,630,006	13,495
Miscellaneous revenue	106,502	197
Change in assets and liabilities:		
Decrease in accounts receivable	3,492	600
(Increase) decrease in due from other county funds	(113,596)	(1,383)
(Increase) decrease in due from other governments	115,053	(1,979)
(Increase) decrease in inventory	(160,431)	5,181
(Increase) in other assets	(750)	-
(Increase) in due from component unit	-	-
Increase (decrease) in vouchers payable and accrued liabilities	110,540	8
Increase (decrease) in due to other county funds	4,322	553
Increase (decrease) in due to other governments	(48)	-
Increase (decrease) in other current liabilities	98,867	(1,284)
Increase (decrease) in insurance claims payable	-	-
Net cash provided by (used in) operating activities	\$ 9,668,265	\$ 13,408
Supplemental disclosure of noncash capital and related financing activities:		
Contribution of capital assets	\$ -	\$ -
Disposal of fully depreciated capital assets	\$ 3,691,969	\$ 7,154

Combined Insurance Fund	ISS	Clerk & Comptroller Insurance Fund	Total
\$ 1,459,539	\$ 54,850	\$ 1,033,650	\$ 4,316,607
70,055,625	32,513,656	5,776,572	137,749,748
(11,864,936)	(11,358,722)	(1,619,943)	(38,994,520)
(2,544,273)	(17,071,967)	(40,561)	(25,311,788)
(1,256,191)	(1,336,747)	-	(4,384,521)
(63,824,392)	-	(5,673,426)	(69,497,818)
2,926,841	216,775	31	3,250,346
(5,047,787)	3,017,845	(523,677)	7,128,054
-	107,294	-	107,294
(406,237)	(1,500,000)	-	(2,003,289)
(406,237)	(1,392,706)	-	(1,895,995)
20	11,746	-	1,292,573
(2,298)	(687,075)	-	(9,333,377)
-	606,412	-	606,412
-	(272,498)	-	(272,498)
-	(12,554)	-	(14,638)
(2,278)	(353,969)	-	(7,721,528)
4,584,335	245,620	167,776	5,356,466
4,584,335	245,620	167,776	5,356,466
(871,967)	1,516,790	(355,901)	2,866,997
80,524,021	2,668,178	3,141,079	90,715,918
\$ 79,652,054	\$ 4,184,968	\$ 2,785,178	\$ 93,582,915
\$(13,720,504)	\$(3,118,544)	\$ 415,224	\$(14,551,496)
20,441	4,819,561	-	12,483,503
2,926,841	216,775	-	3,250,315
54,522	7,126	-	65,740
(235,106)	828,297	(44,294)	433,918
8,852	-	(101,465)	20,461
-	-	-	(155,250)
(1,628,595)	(76,383)	-	(1,705,728)
(561)	(650)	-	(1,211)
769,728	(46,645)	(110)	833,521
12,105	11,249	(545,621)	(517,392)
115,835	340	-	116,127
26,125	376,719	(109,411)	391,016
6,602,530	-	(138,000)	6,464,530
\$ (5,047,787)	\$ 3,017,845	\$ (523,677)	\$ 7,128,054
\$ -	\$ 2,033,723	\$ -	\$ 2,033,723
\$ 8,032	\$ 1,977,862	\$ -	\$ 5,685,017



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, 2007

	AGENCY FUNDS				
	Board of County Commissioners	Sheriff	Clerk & Comptroller	Tax Collector	Total Agency Funds
ASSETS					
Cash and cash equivalents	\$ 6,391,889	\$ -	\$ 29,926,413	\$ 29,225,541	\$ 65,543,843
Accounts receivable, net	305	939,501	109,732	183,658	1,233,196
Due from other county funds	-	-	-	-	-
Due from other governments	197,301	163,919	8,786	-	370,006
Other assets	-	452	-	-	452
Total assets	\$ 6,589,495	\$ 1,103,872	\$ 30,044,931	\$ 29,409,199	\$ 67,147,497
LIABILITIES					
Vouchers payable and accrued liabilities	\$ 374,708	\$ 77,308	\$ -	\$ 131,752	\$ 583,768
Due to other county funds	-	-	-	-	-
Due to other governments	3,687,428	20,581	8,092,485	26,292,260	38,092,754
Due to individuals	2,180,235	1,005,983	21,952,446	2,985,187	28,123,851
Other liabilities	347,124	-	-	-	347,124
Total liabilities	\$ 6,589,495	\$ 1,103,872	\$ 30,044,931	\$ 29,409,199	\$ 67,147,497

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2007

BOARD OF COUNTY COMMISSIONERS

	Balance 10/1/2006	Additions	Deductions	Balance 9/30/2007
ASSETS				
Cash and cash equivalents	\$ 5,498,681	\$ 280,860,193	\$ 279,966,985	\$ 6,391,889
Accounts receivable, net	562	446	703	305
Due from other county funds	-	242,205	242,205	-
Due from other governments	248,754	239,956	291,409	197,301
Other assets	-	-	-	-
Total assets	\$ 5,747,997	\$ 281,342,800	\$ 280,501,302	\$ 6,589,495
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 3,320,770	\$ 5,858,840	\$ 8,804,902	\$ 374,708
Due to other county funds	-	129,563,034	129,563,034	-
Due to other governments	612,948	3,700,076	625,596	3,687,428
Due to individuals	1,477,482	1,376,020	673,267	2,180,235
Other liabilities	336,797	1,936,908	1,926,581	347,124
Total liabilities	\$ 5,747,997	\$ 142,434,878	\$ 141,593,380	\$ 6,589,495

PALM BEACH COUNTY, FLORIDA
 Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 For the fiscal year ended September 30, 2007

SHERIFF

	Balance 10/1/2006	Additions	Deductions	Balance 9/30/2007
ASSETS				
Cash and cash equivalents	\$ -	\$ 116,623,407	\$ 116,623,407	\$ -
Accounts receivable, net	368,629	8,038,669	7,467,797	939,501
Due from other county funds	-	15,673,085	15,673,085	-
Due from other governments	225,015	27,674,522	27,735,618	163,919
Other assets	132	1,131	811	452
Total assets	\$ 593,776	\$ 168,010,814	\$ 167,500,718	\$ 1,103,872
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 80,790	\$ 75,634,811	\$ 75,638,293	\$ 77,308
Due to other county funds	-	52,697,461	52,697,461	-
Due to other governments	27,820	108,944	116,183	20,581
Due to individuals	485,166	7,018,912	6,498,095	1,005,983
Other liabilities	-	-	-	-
Total liabilities	\$ 593,776	\$ 135,460,128	\$ 134,950,032	\$ 1,103,872

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2007

CLERK & COMPTROLLER

	Balance 10/1/2006	Additions	Deductions	Balance 9/30/2007
ASSETS				
Cash and cash equivalents	\$ 35,274,005	\$ 604,764,268	\$ 610,111,860	\$ 29,926,413
Accounts receivable, net	63,574	1,182,521	1,136,363	109,732
Due from other county funds	-	2,357,879	2,357,879	-
Due from other governments	8,741	90	45	8,786
Other assets	-	-	-	-
Total assets	\$ 35,346,320	\$ 608,304,758	\$ 613,606,147	\$ 30,044,931
LIABILITIES				
Vouchers payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other county funds	-	17,202,406	17,202,406	-
Due to other governments	13,600,417	343,786,118	349,294,050	8,092,485
Due to individuals	21,745,903	335,351,932	335,145,389	21,952,446
Other liabilities	-	-	-	-
Total liabilities	\$ 35,346,320	\$ 696,340,456	\$ 701,641,845	\$ 30,044,931

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2007

TAX COLLECTOR

	Balance 10/1/2006	Additions	Deductions	Balance 9/30/2007
ASSETS				
Cash and cash equivalents	\$ 18,907,957	\$ 3,315,809,059	\$ 3,305,491,475	\$ 29,225,541
Accounts receivable, net	253,271	4,827,962	4,897,575	183,658
Due from other county funds	-	-	-	-
Due from other governments	-	531	531	-
Other assets	-	-	-	-
Total assets	\$ 19,161,228	\$ 3,320,637,552	\$ 3,310,389,581	\$ 29,409,199
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 100,209	\$ 848,587	\$ 817,044	\$ 131,752
Due to other county funds	-	-	-	-
Due to other governments	15,970,675	2,343,230,800	2,332,909,215	26,292,260
Due to individuals	3,090,344	994,051,094	994,156,251	2,985,187
Other liabilities	-	-	-	-
Total liabilities	\$ 19,161,228	\$ 3,338,130,481	\$ 3,327,882,510	\$ 29,409,199

(continued)

PALM BEACH COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the fiscal year ended September 30, 2007

TOTAL AGENCY FUNDS

	Balance 10/1/2006	Additions	Deductions	Balance 9/30/2007
ASSETS				
Cash and cash equivalents	\$ 59,680,643	\$ 4,318,056,927	\$ 4,312,193,727	\$ 65,543,843
Accounts receivable, net	686,036	14,049,598	13,502,438	1,233,196
Due from other county funds	-	18,273,169	18,273,169	-
Due from other governments	482,510	27,915,099	28,027,603	370,006
Other assets	132	1,131	811	452
Total assets	\$ 60,849,321	\$ 4,378,295,924	\$ 4,371,997,748	\$ 67,147,497
LIABILITIES				
Vouchers payable and accrued liabilities	\$ 3,501,769	\$ 82,342,238	\$ 85,260,239	\$ 583,768
Due to other county funds	-	199,462,901	199,462,901	-
Due to other governments	30,211,860	2,690,825,938	2,682,945,044	38,092,754
Due to individuals	26,798,895	1,337,797,958	1,336,473,002	28,123,851
Other liabilities	336,797	1,936,908	1,926,581	347,124
Total liabilities	\$ 60,849,321	\$ 4,312,365,943	\$ 4,306,067,767	\$ 67,147,497

(concluded)



The Statistical Section provides financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, including the accompanying notes, and required supplementary information to assess the County's economic condition.

Information is presented in the following five categories:

- Financial trends information
- Revenue capacity information
- Debt capacity information
- Demographic & economic information
- Operating information

103.98+
 88.98+
 58.99+
 118.99+
 125.99+
 98.97+
 109.99+
 175.99+
 250.99+

Statistical Section

This part of the Palm Beach County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Palm Beach County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <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>	165
Revenue Capacity <i>These schedules contain information to help the reader assess the County's most significant local revenue source, Property taxes.</i>	177
Debt Capacity <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>	186
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>	192
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>	195

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.*



FINANCIAL TRENDS INFORMATION

TABLE I
PALM BEACH COUNTY
Net Assets by Component
Last Six Fiscal Years
September 30, 2007
(accrual basis of accounting)

	2007	2006	2005
Governmental activities			
Invested in capital assets, net of related debt	\$1,258,858,321	\$ 1,149,700,254	\$ 1,045,215,024
Restricted	691,922,069	653,306,180	719,046,886
Unrestricted	424,170,355	440,749,051	253,276,911
Subtotal governmental activities net assets	<u>2,374,950,745</u>	<u>2,243,755,485</u>	<u>2,017,538,821</u>
Business-type activities			
Invested in capital assets, net of related debt	1,086,676,383	948,165,708	861,609,196
Restricted	96,296,100	75,198,428	73,553,352
Unrestricted	280,151,773	293,449,654	260,387,167
Subtotal business-type activities net assets	<u>1,463,124,256</u>	<u>1,316,813,790</u>	<u>1,195,549,715</u>
Primary government			
Invested in capital assets, net of related debt	2,345,534,704	2,097,865,962	1,906,824,220
Restricted	788,218,169	728,504,608	792,600,238
Unrestricted	704,322,128	734,198,705	513,664,078
Total primary government net assets	<u><u>\$3,838,075,001</u></u>	<u><u>\$ 3,560,569,275</u></u>	<u><u>\$ 3,213,088,536</u></u>

Note: Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.

2004	2003	2002
\$ 984,688,856	\$ 703,748,337	\$ 611,054,550
587,662,798	544,039,097	499,347,555
256,909,610	221,261,900	207,072,101
<u>1,829,261,264</u>	<u>1,469,049,334</u>	<u>1,317,474,206</u>
762,742,002	668,501,790	576,307,538
97,185,482	91,070,934	91,128,462
252,706,877	264,202,723	284,772,975
<u>1,112,634,361</u>	<u>1,023,775,447</u>	<u>952,208,975</u>
1,747,430,858	1,372,250,127	1,187,362,088
684,848,280	635,110,031	590,476,017
509,616,487	485,464,623	491,845,076
<u>\$ 2,941,895,625</u>	<u>\$ 2,492,824,781</u>	<u>\$ 2,269,683,181</u>

TABLE II
PALM BEACH COUNTY, FLORIDA
Changes in Net Assets
Last Six Fiscal Years
September 30, 2007
(accrual basis of accounting)

	2007	2006	2005
Expenses			
Governmental activities:			
General government	\$ 353,587,607	\$ 334,221,067	\$ 287,930,665
Public safety	648,701,203	594,769,838	547,224,383
Physical environment	28,636,570	22,758,674	25,537,612
Transportation	169,132,729	146,885,943	167,115,551
Economic environment	160,162,014	70,953,984	56,343,792
Human services	100,967,046	92,500,262	87,689,004
Culture & recreation	119,260,294	135,554,637	100,373,803
Interest expense	49,027,928	46,868,063	40,736,456
Total governmental activities expenses	1,629,475,391	1,444,512,468	1,312,951,266
Business-type activities:			
Department of Airports	66,276,956	65,296,423	66,018,396
Water Utilities Department	112,853,464	98,664,387	84,650,247
Solid Waste Authority	158,484,143	211,845,828	193,876,262
Total business-type activities expenses	337,614,563	375,806,638	344,544,905
Total primary government expenses	1,967,089,954	1,820,319,106	1,657,496,171
Program Revenues			
Governmental activities:			
Fines, fees and charges for services			
General government	132,000,732	157,791,914	145,804,439
Public safety	94,764,762	90,472,783	94,327,833
Physical environment	5,680,770	8,888,175	8,984,143
Transportation	31,801,521	56,056,281	62,242,662
Economic environment	3,122,003	2,985,295	2,936,974
Human services	3,140,222	2,884,924	3,136,439
Culture & recreation	15,254,861	20,951,076	24,344,306
Operating Grants and Contributions	132,204,759	169,338,489	146,143,765
Capital Grants and Contributions	18,202,648	18,860,932	29,908,643
Total governmental activities program revenue	436,172,278	528,229,869	517,829,204
Business-type activities:			
Fines, fees and charges for services			
Department of Airports	77,478,538	73,656,481	70,695,132
Water Utilities Department	107,090,233	97,504,258	91,355,681
Solid Waste Authority	195,898,364	176,395,212	161,923,748
Operating Grants and Contributions	43,762,663	81,160,258	52,030,808
Capital Grants and Contributions	57,146,874	86,049,256	51,255,084
Total business-type activities program revenue	481,376,672	514,765,465	427,260,453
Total primary government program revenues	917,548,950	1,042,995,334	945,089,657

2004	2003	2002
\$ 277,009,468	\$ 270,247,442	\$ 213,736,559
480,227,919	434,565,298	388,653,721
23,720,500	19,546,116	19,910,361
128,520,025	91,633,960	87,621,176
50,619,793	43,030,647	40,223,124
88,722,328	80,494,994	74,829,578
94,616,074	88,833,662	82,338,425
36,729,939	34,241,486	36,088,899
1,180,166,046	1,062,593,605	943,401,843
58,126,033	57,070,803	54,760,966
77,154,525	72,006,274	69,054,046
151,239,222	135,594,046	130,149,594
286,519,780	264,671,123	253,964,606
1,466,685,826	1,327,264,728	1,197,366,449
122,143,504	113,373,676	104,616,133
86,737,955	87,545,979	84,038,588
6,278,825	6,751,335	6,123,426
59,161,311	55,763,950	56,028,175
2,260,256	394,000	178,892
3,613,563	3,313,414	3,027,102
27,575,440	14,161,054	12,581,231
123,265,311	100,721,579	99,039,399
23,246,229	24,043,163	16,365,287
454,282,394	406,068,150	381,998,233
61,474,612	55,350,172	52,373,491
91,960,731	83,683,696	81,086,893
150,871,971	140,282,109	133,125,102
23,927,296	12,503,968	21,125,266
45,811,678	44,405,912	36,463,268
374,046,288	336,225,857	324,174,020
828,328,682	742,294,007	706,172,253

TABLE II
PALM BEACH COUNTY, FLORIDA
Changes in Net Assets
Last Six Fiscal Years
September 30, 2007
(accrual basis of accounting)

(Continuations)

	2007	2006	2005
Net (Expenses)/Revenue			
Governmental activities:	\$ (1,193,303,113)	\$ (916,282,599)	\$ (795,122,062)
Business-type activities:	143,762,109	138,958,827	82,715,548
Total primary government net expense	<u>(1,049,541,004)</u>	<u>(777,323,772)</u>	<u>(712,406,514)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes levied by the County			
Ad valorem taxes	939,719,588	800,033,319	685,200,765
Utility service taxes	29,824,203	28,882,670	28,074,005
Local option gas taxes	47,668,148	49,144,912	49,196,637
Tourist development taxes	26,818,069	23,528,567	22,516,374
State shared sales tax-unrestricted	76,120,744	80,019,101	76,660,073
Franchise gross receipts fee	30,005,367	29,707,735	25,707,598
State shared revenue-unrestricted	61,569,609	61,593,434	58,434,994
Investment income	98,855,421	75,370,005	33,639,043
Other general revenues	9,640,268	5,274,520	4,169,936
Gain on disposal of capital assets	6,804,989	-	-
Transfers-net	(2,528,033)	(11,055,000)	(199,806)
Total governmental activities	<u>1,324,498,373</u>	<u>1,142,499,263</u>	<u>983,399,619</u>
Business-type activities:			
Other general revenues	-	48,047	-
Gain on disposal of capital assets	20,324	3,416,202	-
Transfers-net	2,528,033	11,055,000	199,806
Special items	-	(32,214,001)	-
Total business-type activities	<u>2,548,357</u>	<u>(17,694,752)</u>	<u>199,806</u>
Total primary government	<u>1,327,046,730</u>	<u>1,124,804,511</u>	<u>983,599,425</u>
Increase (Decrease) in Net Assets			
Governmental activities	131,195,260	226,216,664	188,277,557
Business-type activities	146,310,466	121,264,075	82,915,354
Total primary Government	<u>\$ 277,505,726</u>	<u>\$ 347,480,739</u>	<u>\$ 271,192,911</u>

2004	2003	2002
<u>\$(725,883,652)</u>	<u>\$(656,525,455)</u>	<u>\$(561,403,610)</u>
87,526,508	71,554,734	70,209,414
<u>(638,357,144)</u>	<u>(584,970,721)</u>	<u>(491,194,196)</u>
606,326,239	542,171,572	499,742,790
27,196,819	28,314,364	28,094,173
48,033,683	45,946,096	43,443,989
19,848,215	17,330,095	16,621,855
73,705,133	66,973,342	65,710,225
22,856,094	22,844,936	21,516,559
54,733,943	48,113,623	46,194,731
33,858,058	31,005,054	58,374,866
1,563,777	3,696,464	4,293,167
-	1,647,381	3,035,435
<u>(358,500)</u>	<u>54,656</u>	<u>-</u>
<u>887,763,461</u>	<u>808,097,583</u>	<u>787,027,790</u>
-	-	-
738,906	76,394	1,747,300
358,500	(54,656)	-
<u>225,000</u>	<u>-</u>	<u>1,766,800</u>
<u>1,322,406</u>	<u>21,738</u>	<u>3,514,100</u>
<u>889,085,867</u>	<u>808,119,321</u>	<u>790,541,890</u>
161,879,809	151,572,128	225,624,180
<u>88,848,914</u>	<u>71,576,472</u>	<u>73,723,514</u>
<u>\$ 250,728,723</u>	<u>\$ 223,148,600</u>	<u>\$ 299,347,694</u>

(concluded)

TABLE III
PALM BEACH COUNTY, FLORIDA
Fund Balances
Governmental Funds
Last Ten Fiscal Years
September 30, 2007
(modified accrual basis of accounting)

	2007	2006	2005	2004	2003
General Fund					
Reserved	\$ 2,072,013	\$ 2,705,674	\$ 2,377,934	\$ 1,504,296	\$ 1,377,875
Unreserved	240,764,804	218,802,474	182,467,939	148,241,675	182,729,927
Total general fund	<u>\$ 242,836,817</u>	<u>\$ 221,508,148</u>	<u>\$ 184,845,873</u>	<u>\$ 149,745,971</u>	<u>\$ 184,107,802</u>
All Other Governmental Funds					
Reserved	\$ 29,563,773	\$ 35,810,097	\$ 38,533,591	\$ 21,298,817	\$ 21,335,310
Unreserved, reported in:					
Special revenue funds	254,283,049	244,649,627	216,117,295	183,168,481	149,100,263
Capital project funds	883,294,634	981,898,355	898,318,247	730,838,681	624,543,322
Total all other governmental funds	<u>\$ 1,167,141,456</u>	<u>\$ 1,262,358,079</u>	<u>\$ 1,152,969,133</u>	<u>\$ 935,305,979</u>	<u>\$ 794,978,895</u>

2002	2001	2000	1999	1998
\$ 1,126,397	\$ 1,122,650	\$ 1,149,094	\$ 1,116,889	\$ 1,822,483
177,405,978	157,777,257	132,750,125	92,814,109	60,837,262
<u>\$ 178,532,375</u>	<u>\$ 158,899,907</u>	<u>\$ 133,899,219</u>	<u>\$ 93,930,998</u>	<u>\$ 62,659,745</u>
\$ 20,286,577	\$ 20,289,717	\$ 15,407,069	\$ 14,574,696	\$ 21,900,080
173,883,854	138,093,464	119,795,565	114,678,871	114,353,617
553,193,800	528,026,445	402,512,167	290,990,291	282,009,744
<u>\$ 747,364,231</u>	<u>\$ 686,409,626</u>	<u>\$ 537,714,801</u>	<u>\$ 420,243,858</u>	<u>\$ 418,263,441</u>

Table IV
PALM BEACH COUNTY, FLORIDA
Changes in Fund Balance
Governmental Funds
Last Ten Fiscal Years
September 30, 2007
(modified accrual basis of accounting)

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

(1) Prior year debt service percentages have changed due to the exclusion of other charges as part of the debt service ratio. Debt service other charges includes debt issue costs which varies in relation to amount of new debt issues for the year.

2002	2001	2000	1999	1998
\$ 630,295,303	\$ 569,258,844	\$ 529,327,248	\$ 489,969,134	\$ 474,095,544
88,984,709	66,502,896	60,285,588	53,257,730	41,165,824
15,196,656	17,383,730	15,429,000	14,409,859	14,016,011
188,659,369	159,672,406	156,365,044	152,826,203	140,824,657
167,772,906	124,333,193	115,167,480	110,513,681	103,771,599
-	-	-	-	-
17,307,566	19,706,246	13,862,893	16,304,547	13,294,761
54,270,496	77,439,464	48,543,158	23,631,150	38,400,881
33,458,090	33,077,754	23,848,360	24,956,053	32,586,258
<u>1,195,945,095</u>	<u>1,067,374,533</u>	<u>962,828,771</u>	<u>885,868,357</u>	<u>858,155,535</u>
207,319,138	205,350,114	185,442,968	183,581,690	177,775,332
374,776,192	341,867,103	311,564,753	296,525,412	286,282,807
19,541,885	22,295,095	8,615,444	8,004,153	7,899,835
83,668,447	33,363,353	28,073,398	26,018,625	27,286,691
40,038,880	35,314,458	34,257,258	32,560,400	33,947,436
73,151,152	68,344,041	66,234,537	63,733,034	58,901,421
72,460,441	59,683,973	48,266,501	44,424,672	42,707,874
185,824,438	204,731,400	168,881,237	124,872,228	122,178,850
43,678,253	34,953,861	33,545,000	37,133,017	32,637,908
37,025,562	31,030,021	30,764,004	28,539,098	28,769,719
1,421,888	2,030,569	138,550	103,910	615,633
<u>1,138,906,276</u>	<u>1,038,963,988</u>	<u>915,783,650</u>	<u>845,496,239</u>	<u>819,003,506</u>
57,038,819	28,410,545	47,045,121	40,372,118	39,152,029
491,802,641	448,203,647	424,088,301	408,149,297	398,029,232
(491,777,708)	(458,829,018)	(435,338,391)	(412,953,369)	(418,146,941)
18,659,000	156,305,000	121,018,525	3,809,861	26,632,678
-	(582,181)	(175,622)	-	(160,882)
18,560,000	-	-	-	45,625,000
1,021,629	-	-	-	1,129,673
(19,329,587)	-	-	-	(46,272,570)
<u>18,935,975</u>	<u>145,097,448</u>	<u>109,592,813</u>	<u>(994,211)</u>	<u>6,836,190</u>
<u>\$ 75,974,794</u>	<u>\$ 173,507,993</u>	<u>\$ 156,637,934</u>	<u>\$ 39,377,907</u>	<u>\$ 45,988,219</u>
8.4%	7.9%	8.6%	9.1%	8.8%

TABLE V
 PALM BEACH COUNTY, FLORIDA
 Tax and Intergovernmental Revenue by Source
 Last Ten Fiscal Years
 September 30, 2007
 (modified accrual basis of accounting)
 (dollars in thousands)

County Taxes

Fiscal Year	Ad valorem Tax	Tourist Development Tax	Local option Gas tax	Utility Tax (2)	Communication services Tax (2)	Franchise Fees	Total County Taxes
2007	\$ 939,720	\$ 26,818	\$ 47,668	\$ 29,824	\$ 29,490	\$ 30,005	\$ 1,103,525
2006	800,033	23,528	49,145	28,883	28,515	29,708	959,812
2005	685,201	22,516	49,197	28,074	28,393	25,708	839,089
2004	606,326	19,848	48,034	27,197	26,277	22,856	750,538
2003	542,172	17,330	45,946	28,314	22,017	22,845	678,624
2002	499,743	16,622	43,444	28,094	20,876	21,516	630,295
2001	451,949	18,584	30,972	41,175	-	26,579	569,259
2000	422,230	18,091	30,325	37,874	-	20,807	529,327
1999	386,064	16,406	29,772	36,828	-	20,899	489,969
1998	361,942	15,066	40,314	36,304	-	20,470	474,096

Intergovernmental Revenue

Fiscal Year	Sales Tax	State shared Revenue Sharing	State levied Fuel taxes	Federal Grants (3)	State Other Grants	Other (1)	Total Intergovernmental Revenue
2007	\$ 76,121	\$ 26,861	\$ 17,405	\$ 71,340	\$ 26,693	\$ 6,758	\$ 225,178
2006	80,019	27,931	17,499	112,383	31,023	5,147	274,002
2005	76,660	26,206	17,688	94,590	36,434	3,836	255,414
2004	73,705	25,092	14,130	56,910	37,870	3,365	211,072
2003	66,973	22,966	13,242	56,082	28,906	3,131	191,300
2002	65,710	22,355	12,866	56,327	28,438	2,963	188,659
2001	62,560	21,729	12,372	39,437	20,338	3,236	159,672
2000	60,297	24,979	12,127	39,705	17,828	1,429	156,365
1999	55,534	28,275	11,408	38,014	18,204	1,391	152,826
1998	52,372	27,240	10,606	32,637	16,556	1,414	140,825

- (1) Other revenue includes: Alcoholic Beverage Licenses, Racing Tax, Insurance Agent County Licenses, Mobile Home licenses, Firefighters Supplemental Comp, and 911 Wireless Fees. Beginning in FY 01, the County received its portion of 911 fees collected by wireless providers to help with the cost of the 911 system to wireless phone customers.
- (2) Prior to FY02, part of the utility tax was received from telecommunications which was paid directly to the County from various companies. In FY02, this tax is remitted directly to the State and the State remits the County a portion which is now called the Communications Service Tax.
- (3) The increase for FY05 and FY 06 is the result of FEMA Disaster reimbursements for the recent hurricane damage suffered in Palm Beach County.

REVENUE CAPACITY INFORMATION

TABLE VI
 PALM BEACH COUNTY, FLORIDA
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 September 30, 2007
(in thousands of dollars)

Fiscal Year Ended Sept. 30	Residential Property	Commercial Property	Industrial Property	Other Property	Tangible Personal Property
1998	\$ 46,765,332	\$ 8,480,232	\$ 1,559,941	\$ 1,431,088	\$ 4,849,971
1999	49,840,098	9,121,198	1,691,877	1,575,354	5,174,101
2000	53,602,211	9,676,932	1,748,079	1,606,806	5,312,234
2001	59,818,201	10,581,999	1,846,495	1,630,521	5,686,654
2002	67,087,589	11,269,516	2,020,237	1,758,745	5,889,096
2003	76,451,909	12,074,143	2,203,218	1,911,407	5,966,663
2004	82,753,401	18,962,528	2,447,793	916,026	6,091,244
2005	98,204,483	21,560,566	2,899,305	925,849	6,344,019
2006	122,188,560	27,284,041	3,690,386	1,022,922	6,718,119
2007	129,740,137	28,085,753	4,058,107	1,150,067	6,873,275

(1) The FEC increased the assessments in the amount of \$8 million and the CSX increased the assessments in the amount of \$6 million for FY03.

(2) Includes tax-exempt property.

Source: Palm Beach County Property Appraiser's Office

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

Railroad And Telegraph	Less: Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value (2) as a Percentage of Actual Taxable Value
\$ 52,677	\$ 14,377,550	\$ 48,761,691	\$ 4.8666	\$ 79,872,735	79.05 %
57,168	14,675,515	52,784,281	4.8582	85,248,246	79.13
59,985	14,886,206	57,120,041	4.9456	90,319,602	79.72
58,319	15,456,360	64,165,829	4.9362	101,011,371	78.82
59,382	15,818,437	72,266,128	4.9351	113,847,039	77.37
(1) 73,154	16,865,949	81,814,545	4.8084	129,646,611	76.11
78,928	17,927,312	93,322,608	4.7910	149,674,535	74.33
70,344	19,801,317	110,203,249	4.7677	180,546,215	72.01
80,168	22,249,313	138,734,883	4.7192	232,872,482	69.13
102,611	23,397,361	146,612,589	4.4775	236,349,114	71.93

TABLE VII
 PALM BEACH COUNTY, FLORIDA
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 September 30, 2007
 (Per \$1,000 of Assessed Value)

Fiscal Year Ended Sept. 30	Direct Rates			Overlapping Rates		
	General Government	Debt Service Fund	Total Board Of County Commissioners	County School Board	South Florida Water Management District	Total Countywide
1998	\$4.6000	\$0.2666	\$4.8666	\$9.6820	\$0.6970	\$15.2456
1999	4.6000	0.2582	4.8582	9.0430	0.6970	14.5982
2000	4.6000	0.3456	4.9456	8.9180	0.6970	14.5606
2001	4.6000	0.3362	4.9362	8.9480	0.6970	14.5812
2002	4.5500	0.3851	4.9351	8.7790	0.6970	14.4111
2003	4.5000	0.3084	4.8084	8.5710	0.6970	14.0764
2004	4.5000	0.2910	4.7910	8.4320	0.6970	13.9200
2005	4.5000	0.2677	4.7677	8.1060	0.6970	13.5707
2006	4.4500	0.2692	4.7192	7.8720	0.6970	13.2882
2007	4.2800	0.1975	4.4775	7.3560	0.6240	12.4575

TABLE VIII
PALM BEACH COUNTY, FLORIDA
Principal Property Tax Payers
Current Year and Nine Years Ago
September 30, 2007

Taxpayer	2007			1998		
	Total Tax	Rank	Percentage Of Total Taxes Levied	Total Tax	Rank	Percentage Of Total Taxes Levied
Florida Power & Light	\$ 25,732,217	1	2.63 %	\$ 17,594,193	1	4.67 %
BellSouth Telecommunications	8,641,217	2	0.88	11,907,086	2	3.16
Town Center	5,700,554	3	0.58	2,752,074	9	0.73
U.S. Sugar Corporation	5,365,293	4	0.55	5,344,957	4	1.42
Breakers Palm Beach Inc.	4,430,623	5	0.45	2,911,501	8	0.78
Panthers BRHC LTD	4,394,429	6	0.45	2,309,826	10	0.62
Landry Lawrence L.	4,086,463	7	0.42	3,157,198	7	0.84
TJ Palm Beach Assoc LTD Ptnrs	3,378,653	8	0.35	-	-	-
Batmasian James H	3,373,041	9	0.34	-	-	-
Okeelanta Corporation	3,300,969	10	0.34	3,542,018	6	0.94
J.D. & Catherine MacArthur & MacArthur Holding Inc.	-	-	-	7,613,239	3	2.02
Motorola	-	-	-	4,168,351	5	1.11
Total	\$ 68,403,459		6.99 %	\$ 61,300,443		16.29 %

Total Taxes levied: \$978,089,028

\$ 376,769,023

Source: Palm Beach County, Office of the Tax Collector

TABLE IX
PALM BEACH COUNTY, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years
September 30, 2007

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
1998	\$ 376,769,023	\$ 13,065,109	\$ 363,703,914	\$ 360,088,909	99.0 %	\$ 1,853,117	\$ 361,942,026	99.5 %
1999	402,654,178	13,978,254	388,675,924	385,369,330	99.1	694,806	386,064,136	99.3
2000	438,378,943	15,306,210	423,072,733	420,117,483	99.3	2,112,364	422,229,847	99.8
2001	469,324,538	16,233,904	453,090,634	449,946,948	99.3	2,002,519	451,949,467	99.7
2002	519,045,004	18,013,056	501,031,948	498,180,743	99.4	1,562,047	499,742,790	99.7
2003	564,142,933	19,651,559	544,491,374	540,858,347	99.3	1,313,225	542,171,572	99.6
2004	630,738,788	22,122,810	608,615,978	605,494,833	99.5	831,406	606,326,239	99.6
2005	712,058,996	25,117,366	686,941,630	684,361,059	99.6	839,706	685,200,765	99.7
2006	831,870,587	30,533,941	801,336,646	799,229,729	99.7	803,590	800,033,319	99.8
2007	978,089,028	33,329,636	944,759,392	938,520,585	99.3	1,199,004	939,719,589	99.5

Source: Palm Beach County Tax Collector's Office

Note: Palm Beach County Library Fund and M.S.T. U.'s are included for all years shown.



TABLE X
Non-Ad Valorem Revenue
Last Ten Fiscal Years
September 30, 2007

Fiscal Year Ended Sept. 30	1998	1999	2000	2001
Electric Franchise Tax	\$ 14,577,405	\$ 14,791,627	\$ 13,379,692	\$ 17,141,089
Cable TV Franchise Tax (2)	3,122,732	3,185,358	3,249,347	4,277,975
Utility Service Tax (3)	36,303,183	36,828,025	37,874,444	40,891,114
Available Tourist Development Tax	2,245,084	2,245,763	2,243,015	2,242,294
Communications Service Tax (3)	-	-	-	-
Half-Cent Sales Tax	52,485,545	55,533,627	60,297,169	62,560,483
State Revenue Sharing	27,240,250	28,274,965	24,978,575	21,728,736
Licenses & Permits	1,651,540	1,748,599	3,794,672	3,885,201
Parks & Recreation Fees	5,957,070	6,231,392	6,654,167	8,578,105
Animal Regulation Fees	1,905,850	1,973,128	2,176,232	1,987,077
Parking Revenue	973,458	537,113	509,783	405,201
Reimburse of Indirect Costs	10,616,039	10,156,387	8,871,682	8,343,573
County Officer's Fees	4,469,124	6,386,010	4,944,643	5,263,402
Charges for Other Services	19,974,141	22,270,541	21,973,663	24,538,155
Excess Fees - Clerk & Comptroller (4)	3,611,425	4,090,302	3,260,654	2,989,138
Excess Fees - Property Appraiser (4)	1,313,992	1,805,413	2,081,075	1,516,192
Excess Fees - Tax Collector (4)	13,764,928	15,142,160	16,220,935	16,927,338
Excess Fees - Sheriff (4)	3,528,547	3,695,220	13,890,313	14,754,706
Excess Fees - Supervisor of Elections (1) (4)	-	-	-	-
Fines and Forfeitures	6,106,164	5,592,064	6,459,624	7,932,981
Interest	16,145,965	11,345,322	18,878,233	30,858,008
Miscellaneous	6,480,274	9,630,622	10,787,160	13,365,627
TOTALS	\$ 232,472,716	\$ 241,463,638	\$ 262,525,078	\$ 290,186,395

- (1) In 2007, the Supervisor of Elections became a separate fiscal entity.
- (2) The local Cable TV Franchise Fee has been replaced with a new statewide Telecommunications Service tax effective in FY02 which is collected by the State.
- (3) Prior to FY02, part of the utility tax was received from telecommunications which was paid directly to the County from various companies. In FY02, this tax is remitted directly to the State and the State remits the County a portion which is now called the Communications Service Tax.
- (4) Excess fees represent unspent appropriations of the constitutional officers which are required by Florida Statute to be returned to the County at the end of the fiscal year. The excess fees are recorded as 'transfer-in' by the County and 'transfers-out' by the constitutional officers in the fund statements. Beginning in fiscal years ended 9/30/03, excess fees for the Tax Collector and Property Appraiser (in compliance with GASB 34) are reported as 'reimbursements of expenses' by the County and as a 'reduction of fee revenue' by the Tax Collector and Property Appraiser in the fund statements. Because these 'excess fees' represent a refund of unspent 'charges for services' rather than unspent appropriations, they are no longer used in the computation of the debt coverage ratio.

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.

2002	2003	2004	2005	2006	2007
\$ 16,468,768	\$ 17,824,293	\$ 17,905,261	\$ 20,836,584	\$ 25,022,599	\$ 25,495,543
20,670	-	-	-	-	-
28,094,173	28,314,364	27,196,819	28,074,005	28,882,669	29,824,204
3,037,109	4,332,524	4,962,054	5,629,094	5,882,141	5,672,139
20,875,937	22,016,697	26,277,301	28,392,841	28,514,647	29,489,575
65,710,226	66,973,342	73,705,133	76,660,073	80,019,101	76,120,744
22,283,583	22,917,694	25,040,944	26,153,737	27,881,333	26,814,894
4,114,205	3,874,911	6,377,608	6,720,920	6,189,425	6,150,878
8,578,510	9,477,537	9,474,905	9,882,421	11,033,646	10,555,871
2,252,860	2,541,806	2,510,009	2,662,967	2,467,856	2,299,196
377,930	362,934	296,471	260,879	254,324	270,741
8,725,494	9,315,887	9,823,540	11,820,470	11,583,034	12,222,067
5,758,018	5,771,908	4,220,421	2,188,985	2,404,971	2,233,822
28,273,977	29,437,466	30,867,264	31,166,150	37,429,716	47,855,211
7,196,616	7,472,330	10,879,034	15,255,452	11,295,945	2,785,224
1,669,863	-	-	-	-	-
18,237,099	-	-	-	-	-
23,719,248	16,216,318	8,015,401	8,762,824	3,048,686	10,290,391
-	-	-	-	-	651,827
7,987,441	8,093,869	8,027,054	1,930,511	2,611,542	2,206,725
21,357,264	11,170,042	12,338,681	12,433,189	28,689,237	37,779,497
9,453,712	13,699,517	16,706,987	27,320,733	45,918,261	32,846,988
<u>\$ 304,192,703</u>	<u>\$ 279,813,439</u>	<u>\$ 294,624,887</u>	<u>\$ 316,151,835</u>	<u>\$ 359,129,133</u>	<u>\$ 361,565,537</u>

DEBT CAPACITY INFORMATION

TABLE XI
PALM BEACH COUNTY, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
September 30, 2007
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Non-Ad Valorem Revenue Bonds	Loans Payable	Capital Leases	Revenue Bonds	Loans Payable	Capital Leases			
1998	\$ 130,600	\$ 390,295	\$ 37,171	\$ 1,065	\$ 671,690	\$ 22,960	\$ 4,173	\$ 1,257,954	2.93 %	\$ 1,233
1999	119,835	372,065	32,277	718	652,970	11,977	-	1,189,842	2.69	1,142
2000	205,855	354,700	49,192	394	627,750	4,981	-	1,242,872	2.54	1,099
2001	267,485	417,090	44,852	726	592,415	15,053	-	1,337,621	2.63	1,159
2002	253,845	400,980	66,882	338	593,185	7,766	-	1,322,996	2.53	1,118
2003	292,745	379,275	58,893	155	592,020	9,031	-	1,332,119	2.51	1,100
2004	275,905	448,170	71,419	25	551,285	1,202	-	1,348,006	2.26	1,085
2005	283,885	634,471	73,248	34	506,425	39,066	-	1,537,129	2.41	1,214
2006	336,020	597,660	94,871	43	637,745	7,654	-	1,673,993	N/A	1,300
2007	313,515	573,910	129,057	11	591,245	250	-	1,607,988	N/A	1,242

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 FY06 & FY07
(1) See Table XVI for personal income and population data.

TABLE XII
 PALM BEACH COUNTY, FLORIDA
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 September 30, 2007
(dollars in thousands, except per capita)

Fiscal Year Ended Sept. 30	General Obligation Bonds (1)	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Population	Per Capita
1998	\$ 130,600	\$ 48,761,691	0.27%	1,020,521	\$ 127.97
1999	119,835	52,784,281	0.23%	1,042,196	114.98
2000	205,855	57,120,041	0.36%	1,131,184	181.98
2001	267,485	64,165,829	0.42%	1,154,464	231.70
2002	253,845	72,266,128	0.35%	1,183,197	214.54
2003	292,745	81,814,545	0.36%	1,211,448	241.65
2004	275,905	93,322,608	0.30%	1,242,270	222.10
2005	283,885	110,203,249	0.26%	1,265,900	224.26
2006	336,020	138,734,883	0.24%	1,287,987	260.89
2007	313,515	146,612,589	0.21%	1,295,033	242.09

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
 (1) See Table XI for bond data.

TABLE XIII
 PALM BEACH COUNTY, FLORIDA
 Direct and Overlapping Governmental Activities Debt
 September 30, 2007
 (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	\$ 66,345	100%	\$ 66,345	\$ 1,901,053	100%	\$ 1,901,053	\$ 1,967,398
Municipalities	176,754	53%	93,680	274,466	44%	120,765	214,445
Special Districts	-	0%	-	-	0%	-	-
Subtotal, overlapping debt	<u>\$ 243,099</u>		160,025	<u>\$ 2,175,519</u>		2,021,818	2,181,843
Direct debt			<u>313,515</u>			<u>686,644</u>	<u>1,000,159</u>
Total direct and overlapping debt			<u>\$ 473,540</u>			<u>\$ 2,708,462</u>	<u>\$ 3,182,002</u>

TABLE XIV
PALM BEACH COUNTY, FLORIDA
Legal Debt Margin Information
September 30, 2007

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, 2007
(dollars in thousands)

Fiscal Year Ended Sept. 30	Non-Ad Valorem Revenue Bonds (1)				Water Utilities Revenue Bonds (2)							
	Debt Service		Non-Ad Valorem Revenues	Coverage	Gross Revenues	Expenses	Net Revenue Available	Debt Service		Total	Coverage	
	Principal	Interest						Principal	Interest			
1998	\$ 25,204	\$ 22,580	\$ 232,473	\$ 4.87	\$ 74,753	\$ 35,170	\$ 39,583	\$ 6,090	\$ 5,795	\$ 11,885	\$ 3.33	
1999	26,368	22,155	241,464	4.98	77,144	36,613	40,531	7,340	5,754	13,094	3.10	
2000	19,565	21,369	262,525	6.41	81,725	38,633	43,092	7,735	5,090	12,825	3.36	
2001	21,225	20,610	290,186	6.94	88,755	41,170	47,585	8,025	3,658	11,683	4.07	
2002	24,230	23,110	304,193	6.43	89,382	43,442	45,940	8,445	4,058	12,503	3.67	
2003	26,781	21,705	279,813	5.77	87,663	47,583	40,080	8,885	2,652	11,537	3.47	
2004	28,002	20,878	294,625	6.03	92,660	51,898	40,762	9,610	1,877	11,487	3.55	
2005	31,827	24,231	316,152	5.64	94,155	56,660	37,495	12,317	1,450	13,767	2.72	
2006	43,361	32,302	359,129	4.75	99,324	65,524	33,800	10,745	2,898	13,643	2.48	
2007	53,993	32,521	361,566	4.18	114,019	73,781	40,238	13,255	3,809	17,064	2.36	

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

- (1) The County covenants that it will not issue any indebtedness or incur any indebtedness payable from or supported by a pledge of non-ad valorem revenues unless the total amount of non-ad valorem revenues will be greater than 2.00 times the debt service required in the current or any future fiscal year. For purposes of such test, the interest rate on bonds bearing interest at a variable rate must be prospectively calculated in future years at the higher rate of (a) 12% per annum or (b) the average yield to par call for the Bond Buyer Municipal Bond Index (the "Bond Buyer 40") on the date of calculation rather than the actual rate as shown in the schedule. [For the year ended September 30, 2007, if the County had used the maximum annual debt service for variable rate debt, the times coverage would be 3.80.] Additionally, the 2007 principal payments include an unscheduled principal payment of \$7.4 million on a Sunshine State Government Financing Commission variable rate loan.
- (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, 2007

Year	Population	Personal Income	Per Capita Personal Income	Civilian Labor Force	Unemployment Rates
1998	1,020,521	\$42,948,119	\$39,182	507,754	5.5
1999	1,042,196	44,168,511	39,545	543,006	4.8
2000	1,131,184	48,954,794	43,101	524,708	4.1
2001	1,154,464	50,843,978	43,885	541,377	5.9
2002	1,183,197	52,287,552	44,042	553,833	6.4
2003	1,211,448	52,980,627	43,755	590,677	6.2
2004	1,242,270	59,650,738	48,034	598,785	5.7
2005	1,265,900	63,717,587	50,371	622,443	4.1
2006	1,287,987	N/A	N/A	645,211	3.7
2007	1,295,033	N/A	N/A	650,548	4.8

Source: Florida Legislature, Office of Economic and Demographic Research

Florida Department of Labor and Employment Security and Bureau of Labor
 Market Unemployment Information Labor Statistics Department

Note : Population and income data are per calendar year.
 Income data for 2006 and 2007 is not available.
 Personal Income data for 2003 and 2004 is revised.
 Per Capita Income data for 2000 thru 2004 is revised.
 Labor Force and Unemployment data are for September of each year.

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

	2007			1998		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Palm Beach County School Board	21,707	1	3.34%	16,800	1	3.31%
Palm Beach County	11,293	2	1.74%	9,000	2	1.77%
State Government	9,100	3	1.40%	8,700	3	1.71%
Federal Government	6,200	4	0.95%	5,700	4	1.12%
Tenet Healthcare Corp	4,500	5	0.69%	-	-	-
Hospital Corporation of America (HCA) (1)	3,411	6	0.52%	4,000	6	0.79%
Florida Power & Light Company	3,250	7	0.50%	2,300	10	0.45%
Florida Atlantic University	2,923	8	0.45%	-	-	-
The Breakers	2,300	9	0.35%	-	-	-
Office Depot	2,180	10	0.34%	-	-	-
Pratt & Whitney Aircraft	-	-	-	5,100	5	1.00%
Intracoastal Health Systems, Inc.	-	-	-	3,200	7	0.63%
Flo Sun, Inc.	-	-	-	2,500	8	0.49%
Motorola Inc.	-	-	-	2,300	9	0.45%
Total	<u>66,864</u>		<u>10.28%</u>	<u>59,600</u>		<u>11.72%</u>

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

Source: Business Development Board of Palm Beach County

OPERATING INFORMATION

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

Function/Program	Full-time Equivalent Employees as of September 30									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
Facilities Development & Operations	351	351	350	350	350	349	346	357	370	392
Planning, Zoning & Building	330	334	338	368	380	390	389	389	393	401
Clerk & Comptroller	707	707	727	734	733	748	731	713	750	803
Property Appraiser	239	239	244	247	257	261	268	272	276	280
Tax Collector	255	258	258	288	288	288	288	284	284	280
Supervisor of Elections	32	32	32	32	35	36	39	39	41	45
Other	498	498	498	499	499	499	499	477	475	489
Public safety										
Fire-Rescue	862	885	952	1,004	1,044	1,114	1,172	1,239	1,298	1,418
Sheriff	2,681	2,747	2,845	2,928	3,026	3,115	3,210	3,322	3,502	3,615
Other	243	253	242	249	255	265	275	335	342	368
Physical environment										
Environmental Resources Management	93	96	102	106	112	116	123	127	132	140
County Cooperative Extension Service	38	39	40	39	37	38	38	40	39	39
Transportation										
Palm Tran (1)	2	2	445	496	512	527	539	545	561	570
Engineering & Public Works	304	306	309	314	318	328	338	343	346	352
Economic environment										
Housing & Community Development	39	40	40	41	39	42	42	44	44	49
Other	49	41	45	47	51	50	60	62	61	60
Human services										
Community services	412	448	443	426	453	468	468	468	478	475
Other	10	11	11	12	13	14	14	14	15	16
Culture & recreation										
Parks & Recreation	449	473	501	526	554	595	619	634	698	720
County Libraries	317	326	332	354	361	369	377	384	394	416
Internal service funds										
Information System Services	151	167	176	173	176	180	211	223	229	231
Graphics	10	10	10	9	9	9	9	9	10	9
Fleet Management	63	63	64	64	64	65	68	68	69	69
Risk Management	32	33	36	36	36	36	36	36	37	37
Enterprise funds										
Airports	133	134	136	137	138	143	148	151	151	150
Water Utilities	411	411	411	416	416	423	427	433	440	499
Solid Waste Authority	409	410	413	414	413	413	413	413	422	432
Total	9,120	9,314	10,000	10,309	10,569	10,881	11,147	11,421	11,857	12,355

(1) Prior to fiscal year 2000, Palm Tran was operated by a private company which was subsidized by the County.

Source: Office of Financial Management and Budget

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

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government										
Planning, Zoning & Building										
Code enforcement violations	3,421	4,934	4,458	N/A	6,013	5,073	5,073	2,195	4,571	4,464
Construction plans reviewed	41,167	43,182	36,522	44,583	41,859	42,213	42,213	31,300	59,288	65,691
Permits issued	53,482	55,130	43,817	53,037	49,486	78,379	78,379	30,600	62,304	70,751
Public safety										
Fire-Rescue										
Response time	6:44	6:43	6:42	6:39	6:39	6:31	6:31	6:27	6:23	6:27
Fire responses	19,714	20,076	20,929	22,274	23,319	24,352	23,065	24,835	22,295	23,536
Medical responses	45,427	50,572	54,677	56,910	61,056	64,729	67,094	72,691	74,706	76,517
Inspections	9,264	11,548	11,354	11,913	14,195	15,632	16,936	18,630	20,079	22,281
Physical environment										
Environmental Resource Management										
Tonnage of artificial reef materials	8,580	13,100	11,200	16,500	15,270	3,000	23,300	35,900	23,484	4,900
Trees and plants planted or arranged	50,000	57,000	20,700	19,000	82,434	24,400	20,800	105,300	54,500	41,100
Cubic yards beach sand (thousands)	692	783	161	758	1,301	1,301	1,301	1,000	1,016	1,087
Transportation										
Palm Tran										
Passengers (millions)	3.0	5.0	5.4	6.2	5.8	6.3	7.1	7.5	8.3	9.3
Engineering & Public Works										
Land development permits issued	44	51	73	34	49	30	50	30	26	12
Lane miles of roads maintained	2,919	2,960	2,960	2,960	2,960	3,171	3,193	3,291	3,299	3,431
Lane miles resurfaced	89	53	69	64	91	77	62	86	50	35
Linear feet of roadway striped (millions)	1.2	1.6	1.2	1.2	2.2	1.2	1.5	1.7	1.4	0.8
Permits issued for construction of:										
right-of-ways, drainage and utilities	579	586	634	594	642	645	655	622	554	569
Economic environment										
Housing & Community Development										
Single-family new construction	48	36	28	12	12	8	8	29	0	2
Human services										
Children receiving health services	1,257	2,099	2,070	1,969	1,772	1,849	2,199	1,958	2,068	2,126
Children with disabilities	183	290	176	152	177	193	281	228	232	223
Meals - Head Start (thousands)	478	835	397	672	425	915	682	756	460	488
Culture & recreation										
Parks & Recreation										
Golf rounds played (thousands)	149	157	151	129	N/A	148	154	152	145	142
Program and facility attendance (millions)	6.5	6.5	6.8	7.5	7.8	7.8	7.6	8.0	8.1	N/A
County Library										
Circulation (millions)	4.6	4.9	5.1	5.1	5.3	5.7	5.7	6.0	6.0	5.8
Cardholders (thousands)	420	440	457	439	445	451	459	469	477	486
Internal service funds										
Information System Services										
%CSRs on time - Applications	N/A	76%	76%	81%	84%	84%	85%	86%	92%	93%
Graphics										
% timely delivery	99%	95%	96%	100%	99%	99%	99%	99%	99%	98%
Risk Management										
# of employees enrolled in Health ins	N/A	N/A	N/A	N/A	N/A	3,524	3,800	3,900	4,250	4,191
# of employees enrolled in Dental ins	N/A	N/A	N/A	N/A	N/A	2,893	2,893	3,100	3,125	3,122
Enterprise funds										
Water Utilities										
Average water dwelling units served (thousands)	153	158	164	164	174	181	181	186	197	207
Average wastewater treated per day (millions of gallons)	25.6	30.4	30.5	30.5	30.7	31.9	32.4	33.2	36.1	35.7
Airports										
Total passengers (millions)	5.7	5.9	5.7	5.8	6.1	5.4	5.9	6.4	7.0	6.8
Operating expense per passenger	\$4.44	\$4.44	\$4.68	\$4.58	\$4.83	\$6.01	\$5.85	\$5.84	\$5.60	\$6.32
Operating revenue per passenger	\$8.04	\$8.58	\$8.80	\$8.57	\$8.81	\$8.31	\$8.14	\$8.22	\$8.20	\$9.50

N/A = Not available

Source: Office of Financial Management and Budget

Note: 2007 data is not yet available.

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

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public safety										
Fire Rescue										
Fire Stations	30	33	34	35	39	40	40	40	43	44
Transportation										
Palm Tran										
Buses	144	142	128	139	139	139	140	140	160	176
Engineering & Public Works										
County Roads (mileage)	1,348	1,361	1,361	1,361	1,361	1,361	1,295	1,295	1,294	1,297
Traffic Lights	977	997	997	1,021	1,045	1,045	1,104	1,095	1,120	1,145
Culture & recreation										
Parks & Recreation										
Developed acres	3,452	3,436	3,484	3,579	3,714	3,786	3,798	4,195	4,817	5,134
Enterprise funds										
Water Utilities *										
Water mains (miles)	1,307	1,366	1,412	1,423	1,515	1,666	1,784	1,880	2,064	2,081
Storage and repump stations	3	5	3	3	3	12	11	11	10	18
Fire hydrants	9,886	10,277	10,857	10,981	11,760	12,013	12,517	13,396	14,834	15,630
Sewers (miles)	742	784	817	824	868	955	963	953	1,103	1,132
Pump stations	575	595	612	623	635	650	674	692	750	762

* Note: In FY2006, the Water Utilities Department revised certain data for prior years.

Source: Office of Financial Management and Budget



SHARON R. BOCK
Clerk & Comptroller
Palm Beach County

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